

# Health for life





A **tk** PRODUCT

# Spread the freshness!

*Eva Deo, now with  
pH balance formula  
restores your  
skin's natural  
pH level and  
keeps you fresh  
all-day long.*

pH BALANCED  
SKIN FRIENDLY  
ALCOHOL-FREE



**Eva**<sup>®</sup>  
Deo





# 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
Dr K R Srimurthy	Director
Mr B N Bhagwat	Director
Mr J Srinivasan	Director
Mr R Srinivasan	Director
Mr K Vaidyanathan	Executive Director
Mr K Shankaran	Director

## COMPANY SECRETARY

Mr S Kalyanaraman

## REGISTERED & ADMINISTRATIVE OFFICE

6, Cathedral Road  
Chennai 600 086.

## BANKERS

Bank of Baroda  
Corporation Bank

## STATUTORY AUDITORS

### M/s Aiyar & Co.

Chartered Accountants  
New No. 2 (Old No. 184), Rangarajapuram Main Road (1<sup>st</sup> Floor)  
Kodambakkam, Chennai 600 024.

### M/s S Viswanathan

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

## REGISTRARS & TRANSFER AGENTS

M/s Data Software Research Co. Pvt. Ltd.  
19, Pycrofts Garden Road  
Off. Haddows Road, Nungambakkam,  
Chennai 600 006.

## FACTORIES

- No.5, Old Trunk Road, Pallavaram, Chennai 600 043.
- No.2-B, Hosakote Industrial Area, 8th Kilometre  
Hosakote Chinthamani Road, Hosakote Taluk, Bengaluru 562 114.
- Site No.A28, KINFRA International Apparel Parks Ltd.,  
St. Xavier's College P.O., Thumba, Thiruvananthapuram 695 586.
- No.290, SIDCO Industrial Estate, Ambattur  
Chennai 600 098.

**Publications Division** : Plot No.13, 1st Avenue, Mahindra World City,  
Natham Sub Post, Chengalpet Taluk, Kanchipuram 603 002.

## DEPOTS

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

## Notice to Shareholders

**NOTICE** is hereby given that the 54<sup>th</sup> Annual General Meeting of the Company will be held at **11.00 a.m. on Monday, the 13th August, 2012, at The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014**, to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Profit & Loss Statement for the year ended 31<sup>st</sup> March, 2012 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in the place of Mr T T Jagannathan, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of Mr R K Tulshan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in the place of Mr J Srinivasan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to authorize the Board to fix their remuneration.

### Special Business

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

**“RESOLVED THAT** pursuant to Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder or any statutory modification(s) thereof, the consent of the Company be and is hereby accorded for the revision in the remuneration package of Mr T T Lakshman, General Manager – Projects (Foods Division), as fixed by the Board of Directors and as set out in the Explanatory Statement annexed hereto, with effect from 1<sup>st</sup> April, 2012”.

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to revise the remuneration package (including promotion/change of salary grade/designation) of Mr T T Lakshman, General Manager – Projects (Foods Division), from time to time, within the ceiling prescribed under Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder or statutory modification(s) thereof, as may be in force from time to time”.

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to apply to the Central Government for its approval, as may be necessary, if such remuneration exceeds the ceiling prescribed under Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 and the rules made thereunder or statutory modification(s) thereof”.

### BY ORDER OF THE BOARD

Place : Chennai  
Date : May 22, 2012

**S KALYANARAMAN**  
*Company Secretary*

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF ONLY ON A POLL AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item No.7 is annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 7<sup>th</sup> August, 2012 to 13<sup>th</sup> August, 2012 (Both days inclusive).
4. The Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Meeting, will be paid to those Shareholders whose names appear in the Register of Members on 13<sup>th</sup> August, 2012.
5. Members are requested to keep the Company informed of any change in their respective mailing addresses immediately.
6. Members are requested to bring their copy of the Annual Report to the Meeting.
7. Those members who have so far not encashed their Dividend Warrants for the below mentioned financial years, may approach the Company for the payment thereof, as the same will be transferred to the **Investor Education and Protection Fund** of the Central Government, pursuant to Section 205C of the Companies Act, 1956, on the respective due date(s) mentioned thereagainst. **Kindly note that after such date, the members will not be entitled to claim such dividend.**

Financial Year Ended	Dividend Declared on	Due Date of Transfer
31.03.2006	24.08.2006	24.08.2013
31.03.2007	23.08.2007	23.08.2014
31.03.2008	27.08.2008	27.08.2015
31.03.2009	27.08.2009	27.08.2016
31.03.2010	28.07.2010	28.07.2017
31.03.2011	27.07.2011	27.07.2018

8. Information required under Clause 49 of the Listing Agreement with the Stock Exchanges:

#### (1) Mr T T Jagannathan

Mr T T Jagannathan is the Chairman of the Company. He is a Gold Medalist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA. He has been on the Board of the Company for the last 28 years. He is also on the Board of the following Companies:

- TTK Prestige Ltd.
- TTK-LIG Ltd.
- TTK Tantex Ltd.
- Prestige Housewares (India) Ltd.
- SSL-TTK Limited
- Mantra, Inc.

## Notice to Shareholders (Contd.)

- TTK Services Pvt. Ltd
- TTK Healthcare TPA Pvt. Ltd.
- Cables & Wireless Networks India Pvt. Ltd.
- Cigna TTK Health Insurance Co. Ltd.
- TTK Property Services Pvt. Ltd.

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

He holds 7,30,048 Equity Shares in the Company.

### (2) Mr R K Tulshan

Mr R K Tulshan is a Commerce Graduate. He has an experience of nearly three decades in Business and has been a Director of the Company for the last 28 years.

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

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

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

He is the Chairman of the Audit Committee and Member of the Shareholders / Investors Grievance Committee and the Remuneration Committee of the Company.

He holds 220 Equity Shares in the Company.

### (3) Mr J Srinivasan

Mr J Srinivasan is an Arts Graduate and a Fellow Member of the Institute of the Company Secretaries of India.

He has a vast industrial experience spanning over 50 years.

He was inducted into the Board of your Company in the year 2005.

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

- SSL-TTK Limited
- Coromandel Engineering Limited

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

He does not hold any shares in the Company.

### BY ORDER OF THE BOARD

**S KALYANARAMAN**  
*Company Secretary*

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

### Item No.7

Mr T T Lakshman, son of Mr T T Jagannathan, Chairman of the Company, was appointed as General Manager – Projects (Foods Division) with effect from 3<sup>rd</sup> May, 2010, after obtaining the approval of the Shareholders and the Central Government.

He has been given the responsibility of implementing the project at the Foods Division's factory at Bangalore for enhancing the production capacity. He has been instrumental in successfully installing and commissioning the Pellet (Pappad) Manufacturing Line imported from M/s Fen, Italy. The other line acquired from M/s McFills Enterprises Pvt. Ltd., Ahmedabad has also been installed and is undergoing trial runs. He is also involved in the day-to-day operations of the Foods Division.

Considering his performance, the Board of Directors in their meeting held on 22<sup>nd</sup> May, 2012 has revised the remuneration package of Mr Lakshman, as given below, with effect from 1<sup>st</sup> April, 2012, subject to the approval of the Shareholders:

- 1. Salary Grade** : Rs.6000-400-14000-
- 2. Basic Salary** : Rs.75,200/- (Rupees Seventy five thousand two hundred only) per month.
- 3. House Rent Allowance** : 60% of the basic salary per month.
- 4. Medical Benefits** : One month's salary per annum as per the rules of the Company.  
In addition, in case of major diseases and hospitalization, 100% for self and 50% for spouse, dependent children and parents would be reimbursed towards expenses incurred, subject to prior management approval.
- 5. Bonus** : As declared by the Company from time to time.
- 6. Leave Travel Allowance / Assistance** : As per the rules of the Company.
- 7. Personal Accident Insurance & Club Fees** : As per the rules of the Company.
- 8. Provident Fund, Superannuation, Gratuity, etc.** : As per the rules of the Company.
- 9. Other Perquisites** :  
(i) Mr Lakshman will be provided Company maintained car for use, as per the rules of the Company. He is also eligible for the reimbursement of petrol expenses and driver's salary, as per the rules of the Company.  
(ii) Mr Lakshman will be entitled for reimbursement of expenses relating to residential and mobile phones.

**Place : Chennai**  
**Date : May 22, 2012**

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

## Notice to Shareholders (Contd.)

(iii) Mr Lakshman will be allowed Leave and Encashment thereof, as applicable to the other employees in this Grade.

### 10. Annual Increments:

Mr Lakshman will be entitled for annual increments as applicable to the other employees in this cadre.

Since the above remuneration package is well within the ceiling prescribed by the Central Government, this proposal does not require its approval.

It is also proposed to authorize the Board of Directors to revise the remuneration package (including promotion/change of salary grade/designation) of Mr T T Lakshman, General Manager – Projects (Foods Division), from time to time, duly taking into account his performance, within the ceiling prescribed

by the Central Government and in case such remuneration exceeds the ceiling prescribed by the Central Government, the Board of Directors are also authorized to apply to the Central Government for its approval.

Since Mr T T Lakshman is related to Mr T T Jagannathan, Chairman of the Company, these proposals require the consent of the Shareholders by means of a Special Resolution under the provisions of Section 314(1B) and other applicable provisions, if any, of the Companies Act, 1956 read with the rules made thereunder.

Therefore, the approval of the shareholders is sought by means of a Special Resolution.

The Resolution is commended for adoption.

None of the Directors except Mr T T Jagannathan and Mr T T Raghunathan are deemed to be interested in this Resolution.

**BY ORDER OF THE BOARD**

**Place : Chennai**  
**Date : May 22, 2012**

**S KALYANARAMAN**  
**Company Secretary**

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

## Directors' Report

(Including Management Discussion and Analysis Report)

Your Directors have pleasure in presenting the 54<sup>th</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

	(Rs. in lakhs)	
	2011-12	2010-11
Profit before Depreciation & Tax	2,590.59	2,411.57
Less : Depreciation	235.77	197.13
<b>Profit before tax</b>	<b>2,354.82</b>	<b>2,214.44</b>
Less : Provision for tax		
Current Tax	770.00	730.00
Deferred Tax	21.91	12.25
<b>Profit after tax</b>	<b>1,562.91</b>	<b>1,472.19</b>
<b>Surplus Account:</b>		
Balance as per last Balance Sheet	2,683.69	1,722.53
Add: Profit for the year	1,562.91	1,472.19
<b>Total</b>	<b>4,246.60</b>	<b>3,194.72</b>
Less: Proposed Dividend	310.64	310.64
Provision for tax on Dividend	50.39	50.39
Amount transferred to General Reserve	160.00	150.00
<b>Net Surplus</b>	<b>3,725.57</b>	<b>2,683.69</b>

### DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.4.00 (40%) per Equity Share of Rs.10/- each.

### REVIEW OF PERFORMANCE

During the year under review, Revenue from Operations amounted to Rs.353.74 crores as against the previous year's figure of Rs.310.95 crores, a growth of about 14%.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### (A) ECONOMIC AND BUSINESS ENVIRONMENT:

During the year 2011-12, the GDP growth was low at 6.9% as against the previous year's figure of 8.4%. During the year, the inflationary trend was continued to be felt and the interest rates hardened. The rupee also depreciated sharply which had its own impact across all sections of the economy, especially on the import-dependent sectors.

Indian Pharma Industry grew by 15% during the year 2011, which was driven by (i) growth in volume of existing brands (8%); (ii) new introductions (4.4%); and (iii) price revisions (2.6%). Anti-diabetic and Cardiac Segments continue to report healthy growth. It is also observed that the proportion of Chronic Therapy Segment in the overall market is moving up with a higher growth, as compared to the Acute Therapy Segment. [Source – Pharma Trac].

#### (B) OPPORTUNITIES AND THREATS:

##### Opportunities:

- Pharma industry is witnessing healthy growth. Strong economic growth, rising incidence of chronic diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment. Therefore, there is opportunity for your Company to grow the Pharma Business further.

Further, since your Company is currently present only in a few therapeutic segments, there is an opportunity to grow the business by venturing into other therapeutic segments.

- With increasing awareness and wider acceptance of herbal therapy, herbal formulations segment also provide an opportunity for growth.
- Your Company has the unique advantage of an exclusive network for distribution of OTC products. This can be leveraged for launch of new products under own brands so as to ensure improved profitability and value creation through brand building.
- On Bio-Medical Devices, the market as of now is dominated by imported medical devices/implants. Since your Company manufactures world class products which are also priced competitively, this segment provides opportunity for growth in the years to come. These products also have export potential.
- Considering the size of the market for food products, the Foods Business of your Company has potential for growth including branding/retail opportunities.

##### Threats:

- The Product Patent Regime has restricted the access for Indian Pharma Companies to the latest molecules which were earlier available. However, there may be opportunities to launch products that are out of patents regimentation.
- There have been rapidly changing new drug discovery technologies and processes at the global level and the Indian Pharmaceutical Industry requires huge capital investment to upgrade facilities to match International Standards. MNCs and Foreign Companies have an edge over the domestic companies in this area.

#### (C) SEGMENTWISE PERFORMANCE:

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

A look at the performance of individual Business Segments:

##### Pharmaceutical Business:

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

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

The Pharma business as a whole has reported a healthy growth and the performance has been encouraging.

The growth was mainly driven by the sales from new launches and also good performance from some of the older brands. The performance of the Anti-infertility range is noteworthy. The performance of few of the older brands in EPD has not been satisfactory. Manpower attrition continues to be an area of concern.

Few more new products have been lined up for launch and the field strength is also being increased in both the Divisions for improving the coverage.

Your Company is also planning to foray into other Therapeutic Segments to grow the business further.

## Directors' Report (Contd.)

### Animal Welfare Division (AWD)

The performance of Animal Welfare Division has been satisfactory.

In addition to the contribution from the new products launched during the year, the older brands like Ossomin, Orcal-P and Tefroli have also reported healthy growth.

The growth strategy for the Pharma Business during 2012-13 would be (i) Productivity improvement, (ii) Geographical expansion, (iii) Enhanced focus on both existing and recently launched brands and (iv) Launch of new products in relevant therapeutic segments.

### Consumer Products Business:

During the year under review, the performance of this Division as a whole has been satisfactory. Woodward's Gripe Water continues to report healthy growth. The performance of EVA Range has been quite encouraging and the Deodorant continues to be No.1 in the Women's Deo category. The performance of the Good Home Range has been satisfactory. The sales performance of Condoms has also been satisfactory.

With enhanced investment both in brands and distribution infrastructure, the Division is confident of maintaining the performance during 2012-13, as well.

### Medical Devices Business:

#### Heart Valve Division

The performance has been severely impacted due to lower offtakes under the Government-sponsored Welfare Programmes. Efforts are being made to retain the volumes and to grow the business.

The developmental initiatives relating to the Improved Heart Valves, Vascular Graft, Coronary Stent and Stent for Aneurysm Repair are progressing satisfactorily.

The registration process relating to the import and sale of Bio-Prosthetic Valve is in an advanced stage and the approval is likely to be received shortly.

As regards CE marking, your Company is in the process of complying with the various requirements stipulated by the Certifying Agency and the certification is expected after completion of this process.

#### Ortho Division

During the year under review, around 670 implantations have been done and the response from the Orthopaedic surgeons has been encouraging.

In August 2011, Dr Frederick Buechel and Dr Michael Pappas from the Collaborators M/s B P Trust, USA visited India and presented papers / conducted live surgeries for the benefit of the Surgeons across the country. Their visit gave a fillip to the marketing / promotional initiatives of your Company and enhanced the credibility of the products.

Your Company has also initiated steps for developing the overseas markets which were permitted by the Collaborators.

### Publications Business:

During the year under review, the Publications Division reported healthy growth which has been driven by the sales from Atlases and customized carto jobs. The response to the revamped titles has been encouraging and efforts are made to complete the revamping of the rest of the titles, in a phased manner.

### Foods Business:

During the year under review, the technical issues / teething problems relating to the Pellet (Pappad) Manufacturing line imported from M/s FEN, Italy were fully resolved and the line has been stabilized. The output from this line is satisfactory.

The Fen Make Pellet (Pappad) Manufacturing line acquired from M/s McFills Enterprises Pvt. Ltd., Ahmedabad has been installed and is currently undergoing trial runs. The line is expected to be commissioned during the First Quarter of the current year.

The refurbishment process relating to the Pavan Make Pellet (Pappad) Manufacturing lines stand almost completed, but for the replacement of few imported parts which have already been ordered. Your Company already started reaping the benefits of the refurbishment process in terms of reduction in break-downs and improvement both in quality and output.

Steps have also been initiated for strengthening the distribution network across the country, to ensure wider coverage. Efforts are also being made to develop and grow the export market.

Foods Division is also planning to implement the Food Safety Management System during the current financial year.

In view of the above, the outlook for 2012-13 appears promising.

### (D) 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.

### (E) FINANCIAL PERFORMANCE:

	(Rs. in lakhs)	
	2011-12	2010-11
Revenue from Operations (Gross)	35,374.22	31,094.54
<b>Less :</b> Excise Duty relating to Sales	0.03	2.49
Revenue from Operations (Net)	35,374.19	31,092.05
Other Income	470.43	440.66
<b>Total Income</b>	<b>35,844.62</b>	<b>31,532.71</b>
Goods Consumption	18,618.87	16,256.76
Employee Benefits Expense	4,356.22	3,681.98
Other Expenses	10,022.97	9,001.42
<b>Profit before Finance Cost and Depreciation</b>	<b>2,846.56</b>	<b>2,592.55</b>
Finance Cost	255.97	180.98
Depreciation	235.77	197.13
<b>Profit before Tax</b>	<b>2,354.82</b>	<b>2,214.44</b>
<b>Less:</b> Provision for Tax:		
Current Tax	770.00	730.00
Deferred Tax	21.91	12.25
<b>Profit after Tax</b>	<b>1,562.91</b>	<b>1,472.19</b>



## Directors' Report (Contd.)

### Income:

#### Revenue from Operations:

During the year under review, Revenue from Operations amounted to Rs.353.74 crores as against the previous year's figure of Rs.310.95 crores, a growth of about 14%.

#### Other Income:

Other Income for the year under review stands at Rs.4.70 crores as against the previous year's figure of Rs.4.41 crores.

The increase is mainly on account of higher Interest Income on Fixed Deposits (Rs.128.78 lakhs).

Further, the Other Income of the previous year included gain on sale of Investments (Rs.92.65 lakhs).

### Expenditure:

#### Goods Consumption:

The Goods Consumption as a percentage of Revenue from Operations for the year works out to 52.63% as against the previous year's figure of 52.28% and there is no major variation in the product mix.

#### Employee Benefits Expense:

The increase in Employee benefits expense was mainly on account of the annual increments and also expansion of field manpower.

#### Finance Costs:

The increase in Finance Costs was mainly on account of the increase in the rate of interest and also higher utilization of the Working Capital Limits in line with the increase in operations.

#### Other Expenses:

- The increase in-
  - Power and Fuel expenses is mainly due to the commissioning of the new Fen Line at Foods Division's factory at Hosakote, as part of the capacity expansion.
  - Repairs and Maintenance expenses is mainly on account of the expenses incurred for the refurbishment / repairing of the existing Pavan Make Pellet (Pappad) Manufacturing Lines at Foods Division.
  - Advertisement and Sales Promotion expenses represents higher sales promotional expenses incurred on various product categories and incentives paid to field staff.
  - Travelling expenses is due to general increase in fares, hotel tariffs and the increase provided in the daily allowances of the field staff and also due to the increase in field staff strength.
- Donation represents the contribution made to (i) Sri Venkateswara Trust engaged in providing educational and medical assistance to deserving people (Rs.25 lakhs); (ii) Bhuvana Foundation engaged in providing assistance for education and medical treatment to the under developed sections of the Society (Rs.10 lakhs); and (iii) The Padma Narasimhan Industrial School, a part of Swami Dayananda Saraswati Educational Society, Manjagudi, engaged in providing free Vocational Training to the rural youth from economically underprivileged families, to enable them to secure stable employment (Rs.15 lakhs).

- The increase in the other heads of expenses is in line with the operations of the Company and the general inflation.

### Fixed Assets:

The Net Fixed Assets (Both Tangible & Intangible) stood at Rs.33.35 crores during the year under review as against the previous year's figure of Rs.32.61 crores.

The addition to Fixed Assets amounting to Rs.3.24 crores mainly represents the -

- (i) Cost of Servers, Softwares, Computers, etc., acquired (Rs.124.74 lakhs);
- (ii) Cost of UPS for the manufacturing plants (Rs.48.27 lakhs) and other Capital Items (Rs.35.36 lakhs) purchased at Foods Division;
- (iii) Cost of Lapping Machine, Ultra Sonic Cleaner, Compressor, Pre-filtering Unit, etc., (Rs.17.16 lakhs) bought for Ortho Division; and
- (iv) Amounts incurred for the acquisition of Plant and Machinery, Vehicles, Dies & Patterns, etc.

The Capital Work-in-progress amounting to Rs.593.57 lakhs represents the cost of Fen make Pellet (Pappad) Manufacturing Line bought from M/s McFills Enterprises Pvt. Ltd., Ahmedabad and the Civil and Electrical works carried out for the project in progress at the Foods Division. This will be capitalized after completion of the project.

### Investments:

During the year under review, Investments (Current & Non-Current) stood at Rs.6.77 crores as against the previous year's figure of Rs.6.84 crores.

At the beginning of the year, your Company was holding an investment of Rs.70.23 lakhs in Kotak Indo World Infrastructure Fund (Kotak Mutual Fund).

During the year, this Fund was closed and the redemption amount was determined at Rs.63.44 lakhs. The loss on redemption amounting to Rs.6.79 lakhs has been duly accounted in the Books of Accounts.

Your Company has invested the aforesaid sum of Rs.63.44 lakhs in Kotak Select Focus Fund (Kotak Mutual Fund).

### Inventories:

During the year under review, there has been increase in the Inventories from Rs.26.83 crores to Rs.32.68 crores, due to higher build-up of inventories as a proactive measure in Gripewater, Condoms, EVA and Good Home range of Home care products, anticipating demands.

### Trade Receivables:

There has been an increase in Trade Receivables from Rs.32.48 crores to Rs.37.36 crores. The increase is in line with the growth in sales and there were no major overdue outstandings.

### Loans and Advances:

During the year under review, there has been an increase in Loans and Advances (Short Term and Long Term) from Rs.28.54 crores to Rs.34.73 crores.

The increase mainly represents the payment of advance income-tax amounting to Rs.6.96 crores (Net).

## Directors' Report (Contd.)

### Liabilities:

During the year under review, there has been increase in the Current Liabilities from Rs.67.82 crores to Rs.73.15 crores and in Long Term Liabilities from Rs.7.34 crores to Rs.8.02 crores.

The increases are in line with the operations and there were no major overdue payments to any creditors.

### (F) INTERNAL CONTROL SYSTEMS:

Your Company has necessary Internal Control Systems in place. Internal Audits are regularly conducted through In-house Audit Department and also through External Audit Firms. The reports are periodically discussed and corrective measures are taken.

The scope of audit covers the operations at the various Branches / Depots / C&FA locations and also the functional areas at Factories / Head Office.

### (G) INFORMATION TECHNOLOGY:

As part of the initiative to switch over from Single Node Processing to Multi-Node Processing, two new servers have been installed and are working satisfactorily. Oracle Payroll module has been implemented at Foods and Publications Divisions. Action for upgrading the Oracle ERP System to the higher version has been initiated.

### (H) HUMAN RESOURCES:

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

As part of the overall HR Strategy, training programmes have been organized for employees at all levels through both internal and external faculties during the year under review.

As on 31<sup>st</sup> March, 2012, the employee strength was 1514.

### (I) 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.

### FINANCE

During the year under review, the total Secured and Unsecured borrowings from Banks stood at Rs.17.55 crores as against the previous year's figure of Rs.12.41 crores. The increase is mainly on account of Working Capital borrowings availed to take care of the increased level of operations.

### FIXED DEPOSITS

As on 31<sup>st</sup> March, 2012, your Company was not holding any amount under Fixed Deposits Account.

### EMPLOYEES

Your Directors wish to place on record their appreciation for the excellent services rendered by the Employees at all levels.

The particulars as required under Section 217(2A) of the Companies Act, 1956, are furnished in the Statement annexed hereto.

### DIRECTORS

Mr T T Jagannathan, Mr R K Tulshan and Mr J Srinivasan, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

### AUDITORS

M/s Aiyar & Co. and M/s S Viswanathan, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

### LISTING

Your Company's shares are listed with –

- Madras Stock Exchange Limited, Chennai (Regional Stock Exchange)
- Bombay Stock Exchange Limited, Mumbai

The Listing Fees have been paid for the financial year 2012-13.

### CORPORATE GOVERNANCE

As per the provisions of the Listing Agreement, your Company has complied with the various requirements of the Corporate Governance Code.

A detailed Compliance Note on Corporate Governance is attached to this Report.

### CONSERVATION OF ENERGY

The prescribed particulars under Section 217(1)(e) of the Companies Act, 1956, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are furnished in the Annexure to this Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that–

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The accounting policies are consistently applied and reasonable, prudent judgements and estimates are made, so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that year.
- Proper and sufficient care has 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.
- These Annual Accounts have been prepared on a "going concern" basis.

### ACKNOWLEDGEMENT

Your Directors place on record their grateful thanks to the Bankers and Financial Institutions for their continued support and patronage.

**For and on behalf of the Board**

**Place : Chennai**  
**Date : May 22, 2012**

**T T JAGANNATHAN**  
**Chairman**

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



## Annexure to the Directors' Report

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 for the financial year ended 31<sup>st</sup> March, 2012

### A. Conservation of Energy:

Majority of the Company's operations are not power-intensive and hence the energy costs are not significant. Nevertheless, steps are initiated to achieve possible improvements:

FORM A		
	2011-12	2010-11
<b>A. Power and Fuel Consumption</b>		
<b>1. Electricity:</b>		
(a) Purchased		
Units	22,56,710	15,24,556
Total Amount (Rs.)	1,29,91,304	85,23,369
Rate per Unit (Rs.)	5.76	5.59
(b) Own Generation		
Units	2,64,828	2,30,322
Unit per litre of Diesel Oil	3.01	2.77
Cost per Unit (Rs.)	13.57	13.11
<b>2. Furnace Oil / Light Diesel Oil:</b>		
Quantity (litres)	2,16,903	1,93,508
Total Amount (Rs.)	94,63,943	76,92,224
Average rate per litre (Rs.)	43.63	39.75

Since the Company outsources most of its pharmaceutical formulations from Third Party Manufacturers and the energy costs in respect of other products not being significant, the same has not been allocated to production units.

### B. Technology Absorption :

#### (1) (i) Specific areas in which R&D was carried out by the Company:

##### (a) Development of –

- Preparation containing essential Amino Acids, Vitamins, etc., for reducing hair loss.
- Complete nutritional supplement with fortified protein for pregnant women.
- A formulation containing Sucralfate, etc., for the management of Peptic Ulcer.
- Polyherbal antioxidant formulation with natural Vitamin-C for veterinary use.
- A Synthetic liver tonic for veterinary use.
- Ofloxacin and Ornidazole Bolus for veterinary use.

##### (b) Sree Chitra Tirunal Institute for Medical Sciences and Technology (SCTIMST) has completed the relocation and revalidation of the Surface Treatment Facility. The facility would be used for coating the improved Heart Valves meant for multicentric trials.

##### (c) Preliminary trials on the eluting drug for coating the Stents have shown encouraging results in trials at SCTIMST. Coated Stents for *invivo* animal trials have been taken up for fabrication.

##### (d) The developmental work relating to the coating of the Vascular Graft has been completed and animal trials have just commenced.

##### (e) The Stented Graft Project has completed the stage of non-functional prototype. Details of fabrication process and preliminary documentation for IPR protection are underway.

### (ii) Benefits derived as a result of R&D:

#### (a) The Company has launched the following products:

- **Nofal Tablets** (For reducing hair loss)
- **Protogen Mom** (Protein supplement for women)
- **Coatz AF Suspension** (For treating Peptic Ulcer)
- **Veta-C Powder** (Polyherbal antioxidant and natural Vitamin-C for veterinary use)
- **Bexoliv Syrup** (Synthetic liver tonic for veterinary use)
- **Oford Vet Bolus** (Formulation containing Ofloxacin and Ornidazole).

#### (b) The Coronary Stents coated with the new drug formulation is expected to perform better than current products available in the market.

#### (c) The initial results of the animal trials relating to coated Vascular Graft have been encouraging.

### (iii) Future Plan of Action:

#### (a) At present, work is being carried out on the following products which will be commercialized after the trials:

##### Development of-

- Vaginal suppositories containing Clindamycin, etc., for treating infections.
- Flavoxate Hydrochloride Tablet.
- Triclabendazole and Ivermectin Suspension for veterinary use.
- Polyherbal and mineral preparation for veterinary use.
- Formulation containing Omega-3 Fatty Acid, etc., for treating infertility in females.
- Formulation containing natural Essential Amino Acids, Vitamins, etc., for poultry and livestock use.
- Inorganic minerals for veterinary use.
- Formulation containing L-Arginine, etc., for healthy pregnancy.

#### (b) Production of the clinical trial batch of the new design valves will be done as soon as SCTIMST gets clearance from the Institute's Ethics Committee.

#### (c) *Invitro* accelerated life test on the Coronary Stents are in progress.

#### (d) Some Prototypes of the Stented Grafts have been produced. Fine-tuning of the fabrication process to get consistent prototypes for various evaluations will be taken up.

## Annexure to the Directors' Report (Contd.)

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 for the financial year ended 31<sup>st</sup> March, 2012

### (iv) Expenditure on R&D:

		2011 – 12	2010 – 11
		Rs.	Rs.
(a)	Capital	15,66,705	2,44,238
(b)	Recurring	21,36,351	35,12,321
(c)	Total	37,03,056	37,56,559
(d)	% of R&D expenses to sales	0.10%	0.12%

### (2) Efforts, in brief, made towards technology absorption, adaptation and innovation:

Inputs from the Overseas Collaborators have been continuously availed for improving the overall manufacturing operations at the Ortho Division.

### (3) Benefits derived from the above efforts:

Based on the inputs provided by the Collaborators, there has been a substantial reduction in the machining time for ortho components, resulting in increased capacity.

### (4) Details of Imported Technology:

The Company has a technical collaboration arrangement with M/s B P Trust, USA, for various Orthopaedic Implants including Total Knee Replacement System.

### (5) Foreign Exchange Earnings & Outgo:

The Company currently exports Ready-to-fry Snack Pellets (Pappads), Herbal/Veterinary Products, Gripewater, Heart Valves,

Hernia Repair Mesh, Orthopaedic Implants / Trauma Care Products, etc., to various countries. The Medical Devices and Ready-to-fry Snack Pellets (Pappads) offer good export potential. Steps are being taken for further improving the export sales.

	2011-12	2010-11
Foreign Exchange Earnings	Rs.	Rs.
Exports	2,58,06,354	2,13,18,225
Total	2,58,06,354	2,13,18,225
Foreign Exchange Outgo		
• Imports		
- Raw Materials	3,05,58,973	1,85,85,626
- Capital Goods	15,28,329	1,37,41,415
- Spares	19,971	-
• Royalty, Consultancy, Product Registration/ Promotion Expenses, Travelling, etc.	44,03,426	41,00,622
Total	3,65,10,699	3,64,27,663

For and on behalf of the Board

Place : Chennai  
Date : May 22, 2012

T T JAGANNATHAN  
Chairman

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

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the financial year ended 31<sup>st</sup> March, 2012.

Name	Designation	Gross Remuneration (Rs.)	Experience (Years)	Age (Years)	Qualifications	Date of Employment	Previous Employment
Mr T T Raghunathan	Executive Vice Chairman	1,23,93,819	40	60	B.Com.	01.11.2001	Managing Director TTK Tantex Limited

### Notes :

- Gross Remuneration includes Salary, Dearness Allowance, House Rent Allowance / House Rent Paid, Bonus, Commission, Incentive, Contribution to Provident Fund, Gratuity and Superannuation Funds, LTA paid and other applicable perquisites.
- Designation denotes nature of duties.
- Term of employment is contractual.
- Mr T T Raghunathan is related to Mr T T Jagannathan, Chairman of the Company.

For and on behalf of the Board

Place : Chennai  
Date : May 22, 2012

T T JAGANNATHAN  
Chairman

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



## Report on Corporate Governance

### COMPANY'S PHILOSOPHY ON 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.

### BOARD OF DIRECTORS:

The Board consists of nine Directors. The composition of the Board conforms to Clause 49 of the Listing Agreement, as per the details given below:

Name of the Director	Category	Position
Mr T T Jagannathan	Promoter / Non-Executive	Chairman
Mr T T Raghunathan	Promoter / Executive	Executive Vice Chairman
Mr R K Tulshan	Non-Promoter / Non-Executive / Independent	Director
Dr K R Srimurthy	Non-Promoter / Non-Executive / Independent	Director
Mr B N Bhagwat	Non-Promoter / Non-Executive / Independent	Director
Mr J Srinivasan	Non-Promoter / Non-Executive / Independent	Director
Mr R Srinivasan	Non-Promoter / Non-Executive / Independent	Director
Mr K Vaidyanathan	Non-Promoter / Executive	Executive Director
Mr K Shankaran	Non-Promoter / Non-Executive	Director

Mr T T Jagannathan is the brother of Mr T T Raghunathan.

### BOARD MEETINGS, ATTENDANCE AND OTHER DIRECTORSHIPS:

The Board of the Company met four times during the financial year ended 31<sup>st</sup> March, 2012, on the following dates:

- 24<sup>th</sup> May, 2011
- 27<sup>th</sup> July, 2011
- 7<sup>th</sup> November, 2011
- 2<sup>nd</sup> February, 2012

The Company placed before the Board the Annual Plans and Budget, Performance of the various Divisions, Unaudited Quarterly Financial Results, Audited Annual Financial Results and various other information as specified under Annexure 1A of the Listing Agreement, from time to time.

**The attendance particulars at the Board Meetings & the Annual General Meeting and the details of Other Directorships and Committee Member / Chairmanships held are as follows:**

Name of the Director	Attendance Particulars		No. of Other Directorships & Committee Member/Chairmanships		
	Board Meetings	Last AGM (27.07.11)	Other Directorships	Committee Memberships	Committee Chairmanships
Mr T T Jagannathan	4	Yes	7 <sup>s</sup>	-	-
Mr T T Raghunathan	4	Yes	5	-	-
Mr R K Tulshan	3	Yes	1	-	-
Dr K R Srimurthy	4	Yes	-	-	-
Mr B N Bhagwat	4	Yes	-	-	-
Mr J Srinivasan	4	Yes	2	2	-
Mr R Srinivasan	1	Yes	11	9	3
Mr K Vaidyanathan	4	Yes	1	-	1
Mr K Shankaran	4	Yes	3 <sup>s</sup>	1	-

Other Directorships do not include Private Companies.

<sup>s</sup> Include Directorship of one Overseas Entity.

None of the Directors is a member of more than 10 Board-level Committees of Public Companies or is a Chairman of more than 5 such Committees.

### AUDIT COMMITTEE:

The Audit Committee comprises of Mr R K Tulshan as Chairman, Mr B N Bhagwat, Dr K R Srimurthy and Mr K Shankaran as Members and Mr S Kalyanaraman as Secretary.

Terms of reference of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management-
  - (i) the annual financial statement before submission to the Board for approval with particular reference to:
    - (a) the matters required to be included in the Directors' Responsibility Statement;
    - (b) changes, if any, in the accounting policies and practices and reasons for the same;
    - (c) major accounting entries involving estimates based on the exercise of judgement by management;
    - (d) significant adjustments made in the financial statements arising out of audit findings;
    - (e) compliance with listing and other legal requirements relating to financial statements;
    - (f) disclosure of any related party transactions; and
    - (g) qualifications in the draft audit report;
  - (ii) the quarterly financial statements before submission to the Board for approval;

## Report on Corporate Governance (Contd.)

(iii) the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;

(iv) performance of statutory and internal auditors and adequacy of the internal control systems;

• Reviewing-

(i) the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

(ii) the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

• Discussion with-

(i) Internal Auditors on any significant findings and follow-up thereon;

(ii) Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

• To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;

• To review the functioning of the Whistle Blower mechanism, in case the same is existing; and

• Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee met four times during the year under review, on the following dates:

- 24<sup>th</sup> May, 2011
- 26<sup>th</sup> July, 2011
- 7<sup>th</sup> November, 2011
- 2<sup>nd</sup> February, 2012

All the above meetings were attended by all the Members of the Committee except Mr R K Tulshan, who did not attend the Audit Committee Meeting held on 2<sup>nd</sup> February, 2012.

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

### SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee comprises of Mr K Shankaran as Chairman, Mr R K Tulshan and Mr K Vaidyanathan as Members and Mr S Kalyanaraman as Secretary and Compliance Officer.

The scope of the Committee is to look into the Shareholders/Investors Complaints / Grievances relating to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of Duplicate Share Certificates and the performance of the Registrars and Share Transfer Agents.

In addition, the Board shall also from time to time provide requisite guidelines / scope of work for the Grievance Committee and the Committee will discharge such other functions as are required under the provisions of the Listing Agreement and the Companies Act, 1956.

The Committee met twice during the year under review – on 26<sup>th</sup> July, 2011 and 2<sup>nd</sup> February, 2012 and reviewed the status of various complaints received from the Shareholders / Investors and the redressal measures taken by the Company.

All the above meetings were attended by all the Members of the Committee except Mr R K Tulshan who did not attend the Meeting held on 2<sup>nd</sup> February, 2012.

The following table shows the nature of complaints received from Shareholders during the year:

Nature of Complaints	2011-12
Non-receipt of Dividends	2
Non-receipt of Shares sent for transfer/transmission	-
Non-receipt of Annual Report	-
Others	-
Total	2

All the complaints were resolved satisfactorily and there has been no pending complaint as on 31<sup>st</sup> March, 2012.

### DIRECTORS' REMUNERATION:

The details of remuneration paid to the Wholtime Directors for the year 2011-12 are as follows:

Name & Designation	Salary	HRA & Other Allowances	Contribution to PF & Other Funds	Commission	Total	Tenure of Appointment
	Rs.	Rs.	Rs.	Rs.	Rs.	
Mr T T Raghunathan Executive Vice Chairman	20,50,000	74,38,053	5,87,735	23,18,031	1,23,93,819	5 years with effect from 1 <sup>st</sup> November, 2011.
Mr K Vaidyanathan Executive Director	20,70,000	18,10,401	-	-	38,80,401	2 years with effect from 1 <sup>st</sup> July, 2011.

The managerial remuneration paid to the Wholtime Directors of the Company is in line with the provisions of Section 198 and other applicable provisions, if any, of the Companies Act, 1956.

The Company currently does not have Stock Options Scheme.

The Company paid Sitting Fees of Rs.5,000/- per meeting attended (Both Board Meetings & Committee Meetings) to each of the Non-Executive Directors during the year 2011-12. No other payment is made to the Non-Executive Directors.

The details of the shares held by the Non-Executive Directors in the Company are furnished below:

(1) Mr T T Jagannathan	-	7,30,048 Equity Shares
(2) Mr R K Tulshan	-	220 Equity Shares
(3) Mr K Shankaran	-	247 Equity Shares



## Report on Corporate Governance (Contd.)

### PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

#### (1) Mr T T Jagannathan

Mr T T Jagannathan retires by rotation and is eligible for re-appointment.

Mr Jagannathan is the Chairman of the Company. He is a Gold Medalist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA. He has been on the Board of the Company for the last 28 years. He is also on the Board of the following Companies:

- TTK Prestige Ltd.
- TTK-LIG Ltd.
- TTK Tantex Ltd.
- Prestige Housewares (India) Ltd.
- SSL-TTK Limited
- Mantra, Inc.
- TTK Services Pvt. Ltd.
- TTK Healthcare TPA Pvt. Ltd.
- Cables & Wireless Networks India Pvt. Ltd.
- Cigna TTK Health Insurance Co. Ltd.
- TTK Property Services Pvt. Ltd.

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

He holds 7,30,048 Equity Shares in the Company.

#### (2) Mr R K Tulshan

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

Mr Tulshan is a Commerce Graduate. He has an experience of nearly three decades in Business and has been a Director of the Company for the last 28 years.

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

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

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

He is the Chairman of the Audit Committee and Member of the Shareholders / Investors Grievance Committee and the Remuneration Committee of the Company.

He holds 220 Equity Shares in the Company.

#### (3) Mr J Srinivasan

Mr J Srinivasan retires by rotation and is eligible for re-appointment.

Mr Srinivasan is an Arts Graduate and a Fellow Member of the Institute of the Company Secretaries of India.

He has a vast industrial experience spanning over 50 years.

He was inducted into the Board of your Company in the year 2005.

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

- SSL-TTK Limited
- Coromandel Engineering Limited

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

He does not hold any shares in the Company.

### CODE OF CONDUCT:

The Board of Directors had laid down a "Code of Conduct" (Code) for all the Board Members and Senior Management Personnel of the Company and the said Code has also been posted on the website of the Company at [www.ttkhealthcare.com](http://www.ttkhealthcare.com). Annual affirmation regarding compliance is obtained from every person covered by the Code.

A report on the compliance aspect of the Code of Conduct given by the Executive Vice Chairman has been given at Page No.17 of this Annual Report.

### GENERAL BODY MEETINGS:

The location and time of the Annual General Meetings held during the last 3 years are as follows:

Year	Date	Time	Venue	No. of Special Resolutions passed
2009	27 <sup>th</sup> August, 2009	11.00 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306), TTK Road, Chennai 600 014	3
2010	28 <sup>th</sup> July, 2010	11.00 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306), TTK Road, Chennai 600 014	-
2011	27 <sup>th</sup> July, 2011	11.00 a.m.	Narada Gana Sabha (Mini Hall) No.314, (Old No.254) TTK Road, Alwarpet Chennai 600 018	-

No Resolution was put through Postal Ballot during the year 2011-12.

### SUBSIDIARY COMPANY

The Company does not have any Subsidiary Company.

### 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 management, their subsidiaries or relatives, etc., that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions, in which directors are interested, is placed before the Board regularly.

The particulars of transactions between the Company and its related parties as per Accounting Standard 18 (AS-18) are set out on Page No.39 of this Annual Report.

#### • Compliances by the Company

There has been no instance of non-compliance by the Company on any matter related to Capital Markets during the last three financial years

## Report on Corporate Governance (Contd.)

and hence no penalties or strictures were imposed by SEBI, the Stock Exchanges or any statutory authorities.

### • Accounting Treatment

In the preparation of financial statements, generally accepted accounting principles and policies were followed. The Mandatory Accounting Standards announced by the Institute of Chartered Accountants of India were followed in the preparation of financial statements.

### • Board Disclosure – Risk Management

Risk assessment and its minimization procedures have been laid down by the Company and presented to the Board.

These procedures are periodically reviewed to ensure that the Executive Management control risks through means of a properly defined framework.

### • Compliance of Mandatory / Non-Mandatory Requirements

#### (i) Mandatory Requirements

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under Clause 49 of the Listing Agreement with the Stock Exchanges.

#### (ii) Non-Mandatory Requirements

The details are furnished under the heading “Non-Mandatory Requirements” on Page No.16 of this Annual Report.

### MEANS OF COMMUNICATION:

- The Unaudited Financial Results for every Quarter and the Annual Audited Financial Results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock Exchanges. The same are published, within 48 hours, in “Business Standard” and “Makkal Kural”.
- The Quarterly / Annual Results are also put on the Company’s website at [www.ttkhealthcare.com](http://www.ttkhealthcare.com).
- Management Discussion & Analysis Report forms part of this Annual Report.

### GENERAL SHAREHOLDERS INFORMATION:

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

Date - 13<sup>th</sup> August, 2012  
 Day - Monday  
 Time - 11.00 a.m.  
 Venue - The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168, (Old No.306), TTK Road, Chennai 600 014

#### b) Particulars of Financial Calendar:

Financial Year	April – March
Unaudited First Quarter Results	By 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) **Date of Book Closure** - 7<sup>th</sup> August, 2012 to 13<sup>th</sup> August, 2012 (Both Days Inclusive)

d) **Dividend Payment Date** - On or before 12<sup>th</sup> September, 2012

#### e) Listing on Stock Exchanges:

Your Company’s shares are listed with –

- Madras Stock Exchange Limited (MSE), Chennai (Regional Stock Exchange)
- Bombay Stock Exchange Limited (BSE), Mumbai

f) **Stock Code** : MSE - TTKHEALTH  
 BSE - 507747

#### g) Demat Arrangement with NSDL and CDSL

Demat ISIN - INE910C01018

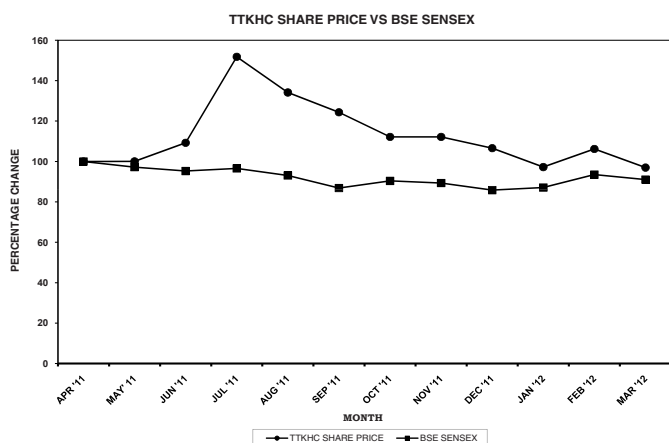
#### h) Stock Price Data:

MONTH	BSE (2011- 12)			BSE (2010- -11)		
	High	Low	Volume	High	Low	Volume
April	448.40	401.10	4,40,946	435.40	255.20	8,47,841
May	448.50	412.40	2,45,616	398.00	338.00	32,508
June	490.00	392.50	95,995	411.40	335.00	29,453
July	680.70	400.00	57,11,395	407.00	340.05	42,434
August	601.60	410.50	16,70,110	423.30	367.10	30,628
September	557.70	410.05	17,07,415	472.80	378.00	2,15,610
October	503.00	431.35	3,97,986	465.00	405.00	1,21,019
November	502.95	350.00	11,64,075	439.00	310.00	63,743
December	478.00	370.00	10,80,867	441.75	321.20	4,28,957
January	436.00	382.00	5,96,040	466.00	342.00	10,61,418
February	476.25	401.40	8,87,565	427.00	330.00	1,62,669
March	434.85	381.35	3,12,009	451.00	362.10	11,75,897

#### i) Stock Performance Vs BSE Sensex:

Month	TTK Share Price	% Change to Base	BSE Sensex	% Change to Base
	(High)		(High)	
April 2011	448.40	-	19,811.14	-
May 2011	448.50	0%	19,253.87	-3%
June 2011	490.00	9%	18,873.39	-5%
July 2011	680.70	52%	19,131.70	-3%
August 2011	601.60	34%	18,440.07	-7%
September 2011	557.70	24%	17,211.80	-13%
October 2011	503.00	12%	17,908.13	-10%
November 2011	502.95	12%	17,702.26	-11%
December 2011	478.00	7%	17,003.71	-14%
January 2012	436.00	-3%	17,258.97	-13%
February 2012	476.25	6%	18,523.78	-6%
March 2012	434.85	-3%	18,040.69	-9%

## Report on Corporate Governance (Contd.)



**j) 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 : 044-28212154 / 28212207  
Fax: 044-28212133 / 28214636

### k) Share Transfer System:

- In compliance of SEBI requirement, Share Transfers are entertained, both under Demat Form and Physical Form.
- Share Transfers in respect of physical shares are normally effected within a maximum of 30 days from the date of receipt, if all the required documentation is complete in all respects.
- Also the Company has made arrangements for simultaneous dematerialization of Share Certificate(s) lodged for transfer, subject to the regulations specified by SEBI in this regard.
- As at 31<sup>st</sup> March, 2012, no Equity Shares were pending for transfer.

### l) Distribution of Shareholding as on 31<sup>st</sup> March, 2012:

Shareholding of Nominal Value of	Number of Shareholders		% to Total Number of Shareholders		Share Amount		% to Total	
	Physical	Electronic	Physical	Electronic	Physical	Electronic	Physical	Electronic
Rs.					Rs.	Rs.		
1	2	3	4	5	6	7	8	9
Upto 5000	6,434	8,915	40.76	56.48	43,96,000	72,43,210	5.66	9.33
5001 - 10000	23	192	0.15	1.22	1,60,830	14,43,110	0.21	1.86
10001 - 20000	19	83	0.12	0.53	2,42,440	12,04,960	0.31	1.55
20001 - 30000	7	32	0.04	0.20	1,64,400	7,69,570	0.21	0.99
30001 - 40000	1	15	0.01	0.10	33,600	5,19,480	0.04	0.67
40001 - 50000	1	10	0.01	0.06	48,000	4,69,770	0.06	0.60
50001 - 100000	3	21	0.02	0.13	2,43,000	16,37,050	0.31	2.11
100001 & Above	1	28	0.01	0.18	2,50,000	5,88,34,410	0.32	75.76
<b>Total</b>	<b>6,489</b>	<b>9,296</b>	<b>41.11</b>	<b>58.89</b>	<b>55,38,270</b>	<b>7,21,21,560</b>	<b>7.13</b>	<b>92.87</b>
<b>Grand Total</b>	<b>15,785</b>		<b>100</b>		<b>7,76,59,830</b>		<b>100</b>	

### m) Categories of Equity Shareholders as on 31<sup>st</sup> March, 2012:

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	% to Total No. of Shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
<b>(1)</b>	<b>Indian</b>			
(a)	Individuals / Hindu Undivided Family	9	9,26,835	11.93
(b)	Central Government / State Government(s)	—	—	—
(c)	Bodies Corporate	2	10,080	0.13
(d)	Financial Institutions / Banks	—	—	—
(e)	Any Other [Partnership Firm]	1	41,44,085	53.36
	<b>Sub-Total (A)(1)</b>	<b>12</b>	<b>50,81,000</b>	<b>65.43</b>
<b>(2)</b>	<b>Foreign</b>			
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	—	—	—
(b)	Bodies Corporate	—	—	—
(c)	Institutions	—	—	—
(d)	Any Other (specify)	—	—	—
	<b>Sub-Total (A)(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>12</b>	<b>50,81,000</b>	<b>65.43</b>
<b>(B)</b>	<b>Public Shareholding</b>			
<b>(1)</b>	<b>Institutions</b>			
(a)	Mutual Funds / UTI	6	6,172	0.08
(b)	Financial Institutions / Banks	6	716	0.01
(c)	Central Government / State Government(s)	—	—	—
(d)	Venture Capital Funds	—	—	—
(e)	Insurance Companies	—	—	—
(f)	Foreign Institutional Investors	4	1,595	0.02
(g)	Foreign Venture Capital Investors	—	—	—
(h)	Any Other (specify)	—	—	—
	<b>Sub-Total (B)(1)</b>	<b>16</b>	<b>8,483</b>	<b>0.11</b>
<b>(2)</b>	<b>Non-Institutions</b>			
(a)	Bodies Corporate	463	4,14,494	5.34
(b)	Individuals -			
(i)	<b>Individual Shareholders holding nominal share capital up to Rs.1 lakh</b>			
	Resident Indians	15,128	15,50,062	19.96
	Non-Resident Indians	140	40,314	0.52
	<b>Total</b>	<b>15,268</b>	<b>15,90,376</b>	<b>20.48</b>
(ii)	<b>Individual Shareholders holding nominal share capital in excess of Rs.1 lakh</b>			
	Resident Indians	21	6,71,163	8.64
	Non-Resident Indians	—	—	—
	<b>Total</b>	<b>21</b>	<b>6,71,163</b>	<b>8.64</b>



## Report on Corporate Governance (Contd.)

(c)	Any Other [Represents the Shareholdings of the Independent / Professional Directors who are not in control of the Company]	5	467	0.01
	<b>Sub-Total (B)(2)</b>	<b>15,757</b>	<b>26,76,500</b>	<b>34.46</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>15,773</b>	<b>26,84,983</b>	<b>34.57</b>
	<b>GRAND TOTAL</b>	<b>15,785</b>	<b>77,65,983</b>	<b>100.00</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 and Partners & Relatives of the Partners of M/s T T Krishnamachari & Co.

**n) Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2012:**

	No. of Share- holders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	6,489	5,53,827	7.13
No. of Shareholders in Electronic Mode	9,296	72,12,156	92.87
<b>Total</b>	<b>15,785</b>	<b>77,65,983</b>	<b>100.00</b>

Days taken for Dematerialization	No. of Requests	No. of Shares	% of Shares
15 days	270	1,30,125	1.67

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2011-12	2010-11	2011-12	2010-11
Number of Shares Dematerialized	<b>1,08,114</b>	36,538	<b>22,011</b>	9,492
Number of Shares Rematerialized	-	-	-	1

**o) Outstanding GDRs / ADRs / Warrants or any convertible Instruments** : The Company has not issued any GDRs / ADRs / Warrants & Convertible Instruments.

**p) Plant Locations** : No.5, Old Trunk Road, Pallavaram  
Chennai 600 043, Tamil Nadu  
  
No.2-B, Hosakote Industrial Area  
8<sup>th</sup> Kilometre, Hosakote Chinthamani Road,  
Hosakote Taluk, Bangalore 562 114,  
Karnataka  
  
Site No.A28,  
KINFRA International Apparel Parks Ltd.,  
St. Xavier's College P.O., Thumba,  
Thiruvananthapuram 695 586, Kerala  
  
No.290, SIDCO Industrial Estate,  
Ambattur, Chennai 600 098, Tamil Nadu  
  
**Publications Division:**  
Plot No.13, 1<sup>st</sup> Avenue, Mahindra World City  
Natham Sub Post, Chengelpet Taluk  
Kanchipuram 603 002, Tamil Nadu

**q) Registered Office** : No.6, Cathedral Road, Chennai 600 086  
Tel: 044-28116106 to 28116110  
Fax: 044-28116387

**r) Administrative Office & Investor Correspondence Address** : Secretarial Department  
No.6, Cathedral Road, Chennai 600 086  
Tel: 044-28116106 to 28116110  
Fax: 044-28116387  
E-mail: investorcare@ttkhealthcare.com

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

- T T Krishnamachari & Co., and its Partners & Relatives of the Partners
- TTK Prestige Limited
- TTK-LIG Limited
- TTK Healthcare TPA (P) Limited
- TTK Services (P) Limited
- TTK Tantex Limited
- SSL-TTK Limited
- Mantra Inc., USA
- Cables & Wireless Networks India (P) Limited
- Packwell Packaging Products Limited
- Prestige Housewares India Limited
- Pharma Research & Analytical Laboratories
- Peenya Packaging Products

**CEO / CFO CERTIFICATION:**

As required under Clause 49 (Corporate Governance) of the Listing Agreement, the Executive Vice Chairman and Vice President – Finance 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, 2012.

**NON-MANDATORY REQUIREMENTS:**

**(a) Chairman's Office (Non-Executive):**

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

**(b) Remuneration Committee:**

The Remuneration Committee comprises of Mr B N Bhagwat as Chairman and Mr R K Tulshan, Dr K R Srimurthy and Mr K Shankaran as Members. Mr S Kalyanaraman, Company Secretary is the Secretary of this Committee.

The scope of the Remuneration Committee *inter alia* includes the determination on behalf of the Board / Shareholders, with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment.

The Board shall from time to time provide requisite guidelines / scope of work for the Remuneration Committee and the Committee will discharge such other functions as are required under the provisions of the Listing Agreement and the Companies Act, 1956.

## Report on Corporate Governance (Contd.)

During the year under review, the Committee met once on 24<sup>th</sup> May, 2011, to consider and recommend to the Board-

- (i) the re-appointment of Mr T T Raghunathan as Executive Vice Chairman, whose term expired on 31<sup>st</sup> October, 2011 and also the remuneration payable to him; and
- (ii) the re-appointment of Mr K Vaidyanathan as Executive Director, whose term expired on 30<sup>th</sup> June, 2011 and also the remuneration payable to him.

The above meeting was attended by all the Members of the Committee.

### (c) Half-yearly Communication to Shareholders:

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 website of the Company at [www.ttkhealthcare.com](http://www.ttkhealthcare.com).

### (d) Audit Qualifications:

There were no audit qualifications in the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2012.

### (e) Whistle Blower Policy:

The Company does not have a formal Whistle Blower Policy. However, access to Audit Committee is made available to every employee.

The other non-mandatory requirements have not been adopted at present.

## DECLARATION ON CODE OF CONDUCT

As required by Clause 49(ID) of the Listing Agreement, 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 website of the Company.

Place : Chennai  
Date : May 16, 2012

**T T RAGHUNATHAN**  
*Executive Vice Chairman*

## Auditors' Certificate on Compliance of Conditions of Corporate Governance under Clause 49 of the Listing Agreement TO THE MEMBERS OF TTK HEALTHCARE LIMITED

We have examined the compliance of conditions of Corporate Governance by TTK Healthcare Limited for the year ended 31<sup>st</sup> March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31<sup>st</sup> March, 2012, no investor grievances are pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/Investors Grievance Committee.

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.

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

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

Place : Chennai  
Date : May 22, 2012

N SRIDHARAN  
Proprietor  
Membership No.20503

C N SRINIVASAN  
Partner  
Membership No.18205

## Auditors' Report

### AUDITORS' REPORT TO THE MEMBERS OF TTK HEALTHCARE LIMITED

1. We have audited the attached Balance Sheet of TTK Healthcare Limited as at 31<sup>st</sup> March, 2012 and the related Profit and Loss Statement and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of Sub-Section (4A) of Section 227 of the Companies Act, 1956 (the 'Act') and on the basis of such check of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
  - a) We have 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 appears from our examination of those books;

- c) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors of the Company as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a Director in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956; and
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon and attached thereto give, in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
  - ii) In the case of the Profit and Loss Statement, of the Profit for the year ended on that date; and
  - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

N SRIDHARAN  
Proprietor  
Membership No.20503

Place : Chennai  
Date : May 22, 2012

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

C N SRINIVASAN  
Partner  
Membership No.18205

### Annexure to Auditors' Report (Referred to in Paragraph 3 of the Auditors' Report of even date to the Members of TTK Healthcare Limited on the Financial Statements for the year ended 31<sup>st</sup> March, 2012)

- (i)
  - (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the Management at regular intervals which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on such verification.
- (ii)
  - (a) As explained to us, the inventories (excluding stocks with third parties and materials in-transit) have been physically verified during the year by the Management. In respect of inventories lying with third parties, these have been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book stocks have been properly dealt with in the books of accounts and were not material.
- (iii) The Company has neither granted nor taken any loans to / from any party covered in the Register maintained under Sec.301 of the Companies Act, 1956. Consequently, the requirements of clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v)
  - (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the Register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or



## Auditors' Report (Contd.)

arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five Lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. The provisions of Section 58 AA are not attracted, as there has been no default.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.
- (ix) (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-Tax, Sales Tax, Service Tax, Wealth Tax, Fringe Benefit Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Fringe Benefit Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, the following are the particulars of disputed dues on account of Income Tax, Sales Tax, Excise Duty and Service Tax as at 31<sup>st</sup> March, 2012:

Name of the Statute	Nature of the Dues	Amount under Dispute not yet deposited (Rs in lakhs)	Periods to which the amounts relate	Forum where the dispute is pending
Central Sales Tax Act and Local Sales Tax Acts	Sales Tax with Interest and Penalty, as applicable	349.56	1986-87, 1991-92, 1995-96, 1997-98 to 2009-10	Before various Authorities - Upto the Commissioner's Level
The Central Excise Act, 1944	Excise Duty with Interest and Penalty, as applicable	124.40	1988-89 to 2007-08	The Customs, Excise and Service Tax Appellate Tribunal
		0.74	1994-95 & 1995-96	The Deputy Commissioner of Central Excise, Aurangabad
		0.60	2002-03, 2004-05 to 2006-07	The Commissioner of Central Excise (Appeals), Chennai
Finance Act	Service Tax	2.29	2005-06 to 2007-08	The Commissioner of Central Excise (Appeals), Bengaluru & CESTAT, Bengaluru

Finance Act	Service Tax	10.28	1997-98 to 1999-2000	Hon'ble High Court Chennai
Income Tax Act, 1961	Income Tax	164.35	2007-08 & 2008-09	The Commissioner of Income Tax (Appeals), Chennai

- (x) The Company does not have any accumulated losses as at 31<sup>st</sup> March, 2012 and has not incurred cash losses during the financial year covered by our Audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders as at the Balance Sheet date.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) During the year, no term loans have been availed by the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, the funds raised on short term basis have not been used for long term investment and surplus in long term funds have been deployed in working capital.
- (xviii) According to the information and explanations given to us, the Company has no outstanding debentures at the end of the year.
- (xix) During the period covered by our Audit Report, the Company has not raised money by public issues.
- (xx) The Company has not made any preferential allotment of shares to the parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

N SRIDHARAN  
Proprietor  
Membership No.20503

Place : Chennai  
Date : May 22, 2012

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

C N SRINIVASAN  
Partner  
Membership No.18205

**Balance Sheet**as at 31<sup>st</sup> March, 2012

	Particulars	Note No.	As at the end of 31-03-2012		As at the end of 31-03-2011	
			Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>						
<b>(1) Shareholders' Funds</b>						
(a) Share Capital	1		7,76,59,830		7,76,59,830	
(b) Reserves and Surplus	2		79,93,73,702		67,96,88,079	
(c) Money received against share warrants			—	87,70,33,532	—	75,73,47,909
<b>(2) Share application money pending allotment</b>				—		—
<b>(3) Non-current Liabilities</b>						
(a) Long-term borrowings	3		47,38,717		62,03,634	
(b) Deferred tax liabilities (Net)	4		2,33,12,447		2,11,20,970	
(c) Other Long-term liabilities	5		7,54,88,020		6,71,70,275	
(d) Long-term provisions	6		—	10,35,39,184	—	9,44,94,879
<b>(4) Current Liabilities</b>						
(a) Short-term borrowings	7		17,54,51,160		12,40,83,176	
(b) Trade payables	8		35,81,27,998		31,60,80,193	
(c) Other current liabilities	9		37,33,94,269		36,21,72,050	
(d) Short-term provisions	10		23,97,08,401	114,66,81,828	27,46,76,401	107,70,11,820
<b>TOTAL</b>				<b>212,72,54,544</b>		<b>192,88,54,608</b>
<b>II. ASSETS</b>						
<b>(1) Non-Current Assets</b>						
(a) Fixed Assets						
(i) Tangible Assets	11		32,90,81,617		32,33,24,440	
(ii) Intangible Assets	12		44,16,458		28,22,997	
(iii) Capital Work-in-progress			5,93,57,312		4,77,53,518	
(iv) Intangible assets under development			—		—	
(b) Non-current investments	13		—		6,00,00,000	
(c) Deferred tax assets (net)			—		—	
(d) Long-term loans and advances	14		1,09,53,987		1,32,49,663	
(e) Other non-current assets	15		—	40,38,09,374	—	44,71,50,618
<b>(2) Current Assets</b>						
(a) Current Investments	16		6,76,81,000		83,60,000	
(b) Inventories	17		32,68,47,243		26,82,90,375	
(c) Trade Receivables	18		37,35,67,558		32,48,31,362	
(d) Cash and cash equivalents	19		61,90,28,734		60,80,75,608	
(e) Short-term loans and advances	20		33,63,20,635		27,21,46,645	
(f) Other current assets	21		—	172,34,45,170	—	148,17,03,990
<b>TOTAL</b>				<b>212,72,54,544</b>		<b>192,88,54,608</b>
See accompanying notes to the financial statements						

Annexure to our Report of date.

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

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

N. SRIDHARAN  
Proprietor  
Membership No. 20503

C N SRINIVASAN  
Partner  
Membership No. 18205

Place : Chennai  
Date : May 22, 2012

T T Jagannathan, Chairman  
T T Raghunathan, Executive Vice Chairman  
R K Tulshan, Director  
Dr K R Srimurthy, Director  
B N Bhagwat, Director  
J Srinivasan, Director  
K Vaidyanathan, Executive Director  
K Shankaran, Director  
S Kalyanaraman, Company Secretary  
B V K Durga Prasad, Vice President - Finance

## Profit and Loss Statement

for the year ended 31<sup>st</sup> March, 2012

	Particulars	Note No.	For the year ended 31-03- 2012		For the year ended 31-03-2011	
			Rs.	Rs.	Rs.	Rs.
I.	Revenue from Operations (Gross)	22		<b>353,74,21,668</b>		310,94,53,963
	Less: Excise Duty			<b>2,607</b>		2,49,497
	Revenue from Operations (Net)			<b>353,74,19,061</b>		310,92,04,466
II.	Other Income	23		<b>4,70,42,548</b>		4,40,66,375
III.	<b>Total Revenue (I + II)</b>			<b>358,44,61,609</b>		315,32,70,841
IV.	<b>Expenses:</b>					
	Cost of materials consumed			<b>13,17,65,960</b>		11,42,85,611
	Purchases of Stock-in-trade			<b>179,08,01,559</b>		154,79,02,289
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade			<b>(6,06,80,890)</b>		(3,65,11,407)
				<b>186,18,86,629</b>		162,56,76,493
	Employee benefits expense	24		<b>43,56,21,989</b>		36,81,97,667
	Finance costs	25		<b>2,55,97,390</b>		1,80,97,335
	Depreciation and amortization expense	26		<b>2,35,77,481</b>		1,97,12,533
	Other expenses	27		<b>100,22,95,564</b>		90,01,42,256
	<b>Total expenses</b>			<b>334,89,79,053</b>		293,18,26,284
V.	Profit before exceptional and extraordinary items and tax (III-IV)			<b>23,54,82,556</b>		22,14,44,557
VI.	Exceptional items			-		-
VII.	Profit before extraordinary items and tax (V - VI)			<b>23,54,82,556</b>		22,14,44,557
VIII.	Extraordinary Items			-		-
IX.	Profit before tax (VII - VIII)			<b>23,54,82,556</b>		22,14,44,557
X.	Tax expense:					
	(1) Current tax		<b>7,70,00,000</b>		7,30,00,000	
	(2) Deferred tax		<b>21,91,477</b>	<b>7,91,91,477</b>	12,25,000	7,42,25,000
XI.	Profit / (Loss) for the period from continuing operations (IX-X)			<b>15,62,91,079</b>		14,72,19,557
XII.	Profit / (Loss) from discontinuing operations			-		-
XIII.	Tax expense of discontinuing operations			-		-
XIV.	Profit / (Loss) from Discontinuing operations (after tax) (XII - XIII)			-		-
XV.	Profit / (Loss) for the period (XI + XIV)			<b>15,62,91,079</b>		14,72,19,557
XVI.	Earnings per Equity Share:					
	(1) Basic			<b>20.13</b>		18.96
	(2) Diluted			<b>20.13</b>		18.96
	See accompanying notes to the financial statements					

Annexure to our Report of date.

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

N. SRIDHARAN  
Proprietor  
Membership No. 20503

Place : Chennai  
Date : May 22, 2012

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

C N SRINIVASAN  
Partner  
Membership No. 18205

T T Jagannathan, Chairman  
T T Raghunathan, Executive Vice Chairman  
R K Tulshan, Director  
Dr K R Srimurthy, Director  
B N Bhagwat, Director  
J Srinivasan, Director  
K Vaidyanathan, Executive Director  
K Shankaran, Director  
S Kalyanaraman, Company Secretary  
B V K Durga Prasad, Vice President - Finance



## Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2012

	Particulars	2011-12		2010-11	
		Rs.	Rs.	Rs.	Rs.
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
	<b>Net Profit Before Tax</b>		<b>23,54,82,556</b>		22,14,44,557
	Adjustments for:				
	Depreciation	2,35,77,481		1,97,12,533	
	(Profit)/Loss on Sale of Assets	(1,51,049)		4,84,252	
	(Profit)/Loss on Sale of Investments	6,79,000		(92,65,000)	
	Provision for diminution in value of Investments	—		29,77,000	
	Interest Paid	2,46,97,390		1,72,22,335	
	Dividend Received	(1,88,750)	4,86,14,072	(5,11,981)	3,06,19,139
	Operating Profit before Working Capital Changes:		<b>28,40,96,628</b>		25,20,63,696
	Trade and Other Receivables	(7,77,43,207)		(9,33,32,184)	
	Inventories	(5,85,56,868)		(4,00,31,831)	
	Trade Payables	6,01,22,851	(7,61,77,224)	21,42,36,320	8,08,72,305
	Cash generated from operations		<b>20,79,19,404</b>		33,29,36,001
	Direct Taxes Paid		(14,48,39,303)		(7,91,98,633)
	Cash Flow before Extraordinary Items & Deferred Revenue Expenditure		<b>6,30,80,101</b>		25,37,37,368
	Extraordinary Items		—		—
	<b>Net Cash from Operating Activities</b>		<b>6,30,80,101</b>		25,37,37,368
<b>B.</b>	<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>				
	Purchase of Fixed Assets	(4,39,92,380)		(9,23,55,299)	
	Sale of Fixed Assets	11,09,340		9,64,485	
	Provision for diminution in value of Investments	—		(29,77,000)	
	Interest / Dividend Received	1,88,750		5,11,981	
	Investments in Bonds / Sale of Investments (Net)	—	(4,26,94,290)	2,24,42,000	(7,14,13,833)
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>				
	Bank Borrowings - Short Term	5,13,67,984		(1,87,12,068)	
	Interest Paid	(2,46,97,390)		(1,72,22,335)	
	Dividend Paid	(3,61,03,279)		(3,16,95,356)	
	Net Cash used in Financing Activities		<b>(94,32,685)</b>		(6,76,29,759)
	Net Increase in Cash and Cash Equivalents		<b>1,09,53,126</b>		11,46,93,776
	Cash and Cash Equivalents as at the beginning of the year	60,80,75,608		49,33,81,832	
	Cash and Cash Equivalents as at the end of the year	61,90,28,734	(1,09,53,126)	60,80,75,608	(11,46,93,776)

**Notes:**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 (AS-3) issued by The Institute of Chartered Accountants of India.
- The previous year's figures have been regrouped wherever necessary in order to conform to this year's presentation.

**Annexure to our Report of date.**

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

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

N. SRIDHARAN  
Proprietor  
Membership No. 20503

C N SRINIVASAN  
Partner  
Membership No. 18205

Place : Chennai  
Date : May 22, 2012

T T Jagannathan, Chairman  
T T Raghunathan, Executive Vice Chairman  
R K Tulshan, Director  
Dr K R Srimurthy, Director  
B N Bhagwat, Director  
J Srinivasan, Director  
K Vaidyanathan, Executive Director  
K Shankaran, Director  
S Kalyanaraman, Company Secretary  
B V K Durga Prasad, Vice President - Finance

## Notes to Balance Sheet

as at 31<sup>st</sup> March, 2012

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Shareholders' Funds:</b>		
<b>Note No.1</b>		
<b>A. Share Capital</b>		
<b>Equity Shares</b>		
(a) the number and amount of shares authorised: 1,00,00,000 Equity Shares of Rs.10/- each (previous period 1,00,00,000 Equity Shares of Rs.10/- each)	10,00,00,000	10,00,00,000
(b) the number of shares issued: 77,65,983 Equity Shares of Rs.10/- each (previous period 77,65,983 Equity Shares of Rs.10/- each)	7,76,59,830	7,76,59,830
the number of shares subscribed and fully paid: 77,65,983 Equity Shares of Rs.10/- each (previous period 77,65,983 Equity Shares of Rs.10/- each)	7,76,59,830	7,76,59,830
the number of shares issued, subscribed but not fully paid	—	—
<b>Total</b>	<b>7,76,59,830</b>	<b>7,76,59,830</b>
(c) par value per share:	<b>Rs.10/-</b>	<b>Rs.10/-</b>
(d) a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
Equity shares:		
(i) No. of shares outstanding at the beginning of the period	77,65,983	77,65,983
(ii) No. of shares issued during the period	—	—
(iii) No. of shares bought back / forfeited during the period	—	—
(iv) No. of shares outstanding at the end of the period	77,65,983	77,65,983
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital	The Company presently has only one class of Equity Shares. Each Shareholder is entitled to one vote per share which can be exercised in the General Meeting of the members and also to dividend as proposed and approved by the Directors and Members respectively.	
(f) shares in respect of each class in the Company held by its Holding Company or its ultimate Holding Company including shares held by or by Subsidiaries or associates of the Holding Company or the ultimate Holding Company in aggregate	—	—
(g) shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held :		
(i) Mr T T Jagannathan (9.40%)	7,30,048	7,30,048
(ii) M/s T T Krishnamachari & Co. represented by its Partners (53.36%)	41,44,085	41,44,085
(h) shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts	—	—
(i) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:		
• Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	—	—
• Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	—	—
• Aggregate number and class of shares bought back:		
2007-08 - Equity Shares of Rs.10/- each	—	—
2008-09 - Equity Shares of Rs.10/- each	22,917	22,917
2009-10 - Equity Shares of Rs.10/- each	3,21,514	3,21,514
2010-11 - Equity Shares of Rs.10/- each	—	—
2011-12 - Equity Shares of Rs.10/- each	—	—
<b>Total</b>	<b>3,44,431</b>	<b>3,44,431</b>

## Notes to the Balance Sheet (Contd.)

	As at 31.03.2012		As at 31.03.2011	
	Rs.		Rs.	
(j) Terms of any securities convertible into equity/preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.	—		—	
(k) Calls unpaid	—		—	
(l) Forfeited shares (amount originally paid up)	—		—	
<b>Note No.2</b>				
<b>B. Reserves and Surplus</b>				
Reserves and Surplus:				
(a) Capital Reserves				
Balance as per last Balance Sheet	6,81,32,507		6,81,32,507	
Addition during the year	—	6,81,32,507	—	6,81,32,507
(b) Capital Redemption Reserve				
Balance as per last Balance Sheet	34,44,310		34,44,310	
Addition during the year	—	34,44,310	—	34,44,310
(c) Securities Premium Account				
Balance as per last Balance Sheet	9,82,49,128		9,82,49,128	
Addition / Deduction during the year	—	9,82,49,128	—	9,82,49,128
(d) Debenture Redemption Reserve				
(e) Revaluation Reserve				
Balance as per last Balance Sheet	4,66,53,821		4,71,56,025	
Deduction during the year - Transfer to Profit & Loss Account	5,02,177	4,61,51,644	5,02,204	4,66,53,821
(f) Share Options Outstanding Account				
(g) Other Reserves :-				
General Reserve				
Balance as per last Balance Sheet	19,48,39,018		17,98,39,018	
Addition during the year: Transfer from Surplus	1,60,00,000	21,08,39,018	1,50,00,000	19,48,39,018
(h) Surplus:				
Balance as per last Balance Sheet	26,83,69,295		17,22,53,017	
Balance in Statement of Profit & Loss (current year)	15,62,91,079		14,72,19,557	
	Total (A)	42,46,60,374	31,94,72,574	
Less: Proposed Dividend	3,10,63,932		3,10,63,932	
Provision for Tax on Dividend	50,39,347		50,39,347	
Transfer to General Reserve	1,60,00,000		1,50,00,000	
	Total (B)	5,21,03,279	5,11,03,279	
Net Surplus (A-B)		37,25,57,095		26,83,69,295
Total		79,93,73,702		67,96,88,079



## Notes to the Balance Sheet (Contd.)

	As At 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Non-current Liabilities:</b>		
<b>Note No.3</b>		
<b>A. Long-term Borrowings</b>		
(i) <b>Secured Long-term borrowings:</b>		
(a) Bonds/Debentures	—	—
(b) Term loans:		
• from banks	—	—
• from other parties	—	—
(c) Deferred payment liabilities	—	—
(d) Deposits	—	—
(e) Loans and advances from related parties	—	—
(f) Long term maturities of finance lease obligations (secured by ownership of the vehicles)	47,38,717	62,03,634
(g) Other loans and advances	—	—
(ii) <b>Unsecured Long-term borrowings:</b>	—	—
<b>Total</b>	<u>47,38,717</u>	<u>62,03,634</u>
<b>Note No.4</b>		
<b>B. Deferred tax liabilities (net)</b>		
(a) Deferred tax liability	2,98,51,604	2,65,71,488
(b) Less: Deferred tax asset	65,39,157	54,50,518
<b>Total</b>	<u>2,33,12,447</u>	<u>2,11,20,970</u>
<b>Note No.5</b>		
<b>C. Other Long-term liabilities</b>		
(a) Trade payables	—	—
(b) Others	7,54,88,020	6,71,70,275
<b>Total</b>	<u>7,54,88,020</u>	<u>6,71,70,275</u>
<b>Note No.6</b>		
<b>D. Long-term provisions</b>		
(a) Provision for employee benefits	—	—
(b) Others	—	—
<b>Total</b>	<u>—</u>	<u>—</u>
<b>Current Liabilities:</b>		
<b>Note No.7</b>		
<b>A. Short-term borrowings</b>		
(i) <b>Secured Short-term borrowings:</b>		
(a) Loans repayable on demand		
• from banks	17,54,51,160	12,40,83,176
(Hypothecation of stocks and book debts)		
• from other parties	—	—
(b) Loans and advances from related parties	—	—
(c) Deposits	—	—
(d) Other loans and advances	—	—
	<u>17,54,51,160</u>	<u>12,40,83,176</u>
(ii) <b>Unsecured Short-term borrowings:</b>		
(a) Loans repayable on demand		
• from banks	—	—
• from other parties	—	—
(b) Loans and advances from related parties	—	—
(c) Deposits	—	—
(d) Other loans and advances	—	—
<b>Total</b>	<u>17,54,51,160</u>	<u>12,40,83,176</u>

## Notes to the Balance Sheet (Contd.)

	As at 31.03.2012		As at 31.03.2011	
	Rs.		Rs.	
<b>Note No.8</b>				
<b>B. Trade Payables</b>	<b>35,81,27,998</b>		<b>31,60,80,193</b>	
(The Company has not received information from vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts together with interest unpaid, at the year end has not been given.)				
<b>Note No.9</b>				
<b>C. Other current liabilities</b>				
(a) Current maturities of long-term debt	—		—	
(b) Current maturities of finance lease obligations (secured by ownership of the vehicles)	<b>22,95,798</b>		27,01,405	
(c) Interest accrued but not due on borrowings	—		—	
(d) Interest accrued and due on borrowings	—		—	
(e) Income received in advance	—		—	
(f) Unpaid dividends	<b>34,13,194</b>		24,43,386	
(No amount is due to be credited to the Investor Education and Protection Fund)				
(g) Application money received for allotment of securities and due for refund and interest accrued thereon.	—		—	
(h) Unpaid matured deposits and interest accrued thereon	—		—	
(i) Unpaid matured debentures and interest accrued thereon	—		—	
(j) Other payables				
i. Employee benefit expense	<b>6,82,87,974</b>		6,03,28,605	
ii. Interest	<b>56,43,949</b>		49,06,476	
iii. Taxes, Duties & Levies	<b>1,74,89,368</b>		1,26,39,117	
iv. Expenses payable relating to operations	<b>25,94,99,519</b>		24,70,47,207	
v. PF & ESIC Contributions	<b>63,88,610</b>		44,96,268	
vi. TDS & TCS	<b>50,60,139</b>		47,92,602	
vii. Creditors for Capital Goods	<b>41,94,057</b>		2,12,94,057	
viii. Audit and other Fees	<b>10,51,661</b>		9,22,927	
ix. Security deposits	<b>70,000</b>		6,00,000	
<b>Total</b>	<b>36,76,85,277</b>		<b>35,70,27,259</b>	
	<b>37,33,94,269</b>		<b>36,21,72,050</b>	
<b>Note No.10</b>				
<b>D. Short-term provisions</b>				
(a) Provision for employee benefits	—		—	
(b) Others :				
Provision for Tax	<b>20,35,00,136</b>		23,84,68,136	
Provision for Dividend (Rs.4/- per share of Rs.10/- each)	<b>3,10,63,932</b>		3,10,63,932	
Provision for Dividend Tax	<b>51,44,333</b>		51,44,333	
<b>Total</b>	<b>23,97,08,401</b>		<b>27,46,76,401</b>	
	<b>23,97,08,401</b>		<b>27,46,76,401</b>	

## Notes to the Balance Sheet (Contd.)

	As at 31.03.2012		As At 31.03.2011	
	Rs.		Rs.	
<b>Non-current Assets:</b>				
<b>A. Fixed Assets</b>				
<b>Note No.11</b>				
<b>Tangible Assets</b>				
(i) Freehold Assets:				
(a) Land	5,51,07,766		5,51,07,766	
(b) Buildings	7,60,81,983		7,89,52,869	
(c) Plant and Equipment	14,52,88,264		13,89,14,076	
(d) Furniture and Fixtures	63,87,895		65,71,622	
(e) Vehicles	63,56,507		73,57,270	
(f) Office equipments	34,99,100		26,90,955	
(g) Others:				
Computers	1,42,84,686	30,70,06,201	90,90,341	29,86,84,899
(ii) Assets under lease:				
(a) Leasehold Land	1,54,37,714		1,56,09,794	
(b) Leasehold Building	3,88,064		8,44,161	
(c) Vehicles	62,49,638	2,20,75,416	81,85,586	2,46,39,541
<b>Total</b>		<b>32,90,81,617</b>		<b>32,33,24,440</b>
(iii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related depreciation and impairment losses/reversals are disclosed separately.	As per Annexure I - A			
(iv) Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase.	Nil during the last five years			
<b>Note No. 12</b>				
<b>Intangible Assets</b>				
(i) (a) Goodwill		—		—
(b) Brands / Trademarks		—		—
(c) Computer Softwares		44,16,458		28,22,997
(d) Mastheads and Publishing Titles		—		—
(e) Mining rights		—		—
(f) Copyrights & patents and other intellectual property rights, services and operating rights		—		—
(g) Recipes, formulae, models, designs and prototypes		—		—
(h) Licences and franchise		—		—
(i) Others		—		—
<b>Total</b>		<b>44,16,458</b>		<b>28,22,997</b>
(ii) A reconciliation of the gross and net carrying amounts of each class of assets at the beginning and end of the reporting period showing additions, disposals, acquisitions through business combinations and other adjustments and the related amortization and impairment losses / reversals are disclosed separately.	As per Annexure I - B			
(iii) Where Sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets, every balance sheet subsequent to date of such write-off, or addition shall show the reduced or increased figures as applicable and shall by way of a note also show the amount of the reduction or increase as applicable together with the date thereof for the first five years subsequent to the date of such reduction or increase.	Nil during the last five years			

## Notes to the Balance Sheet (Contd.)

	As at 31.03.2012		As at 31.03.2011	
	Rs.		Rs.	
<b>Note No.13</b>				
<b>B. Non-current investments</b>				
<b>(i) Trade Investments</b>				
(a) Investment Property	—		—	
(b) Investments in Equity Instruments	—		—	
(c) Investments in Preference Shares	—		—	
(d) Investments in Government or Trust Securities	—		—	
(e) Investments in Debentures or Bonds	—		—	
(f) Investments in Mutual Funds	—		—	
(g) Investments in Partnership Firms	—		—	
(h) Other non-current investments	—	—	—	—
<b>(ii) Non-Trade Investments</b>				
(a) Investment Property	—		—	
(b) Investments in Equity Instruments	—		—	
(c) Investments in Preference Shares	—		—	
(d) Investments in Government or Trust Securities	—		—	
(e) Investments in Debentures or Bonds	—		—	
Unquoted (Fully paid)				
600 Secured Redeemable Non-Convertible Debentures of	—		6,00,00,000	
Rs.1,00,000/- each of Citi Corp Finance (India) Ltd.				
(f) Investments in Mutual Funds	—		—	
(g) Investments in Partnership Firms	—		—	
(h) Other non-current investments	—	—	—	6,00,00,000
<b>(iii) Investments carried at other than at cost</b>				
		—		—
<b>Total</b>		—		6,00,00,000
Aggregate book value of quoted investments		—		—
Aggregate market value of quoted investments		—		—
Aggregate book value of unquoted investments		—		6,00,00,000
Aggregate provision for diminution in value of investments		—		—
<b>C. Deferred tax assets (net)</b>				
		—		—
<b>Note No. 14</b>				
<b>D. Long-term loans and advances</b>				
(i) Secured Long-term loans and advances		—		—
<b>(ii) Unsecured Long-term loans and advances, considered good</b>				
(a) Capital Advances		23,10,656		43,47,612
(b) Security Deposits		33,01,795		34,66,531
(c) Loans and advances to related parties		25,50,000		25,50,000
(d) Other loans and advances: Lease Deposit		27,91,536		28,85,520
<b>(iii) Doubtful Long-term loans and advances</b>				
(iv) Loans & Advances due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.		—		—
<b>Total</b>		1,09,53,987		1,32,49,663



## Notes to the Balance Sheet (Contd.)

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Note No.15</b>		
<b>E. Other non-current assets</b>		
(i) Long Term Trade Receivables (including trade receivables on deferred credit terms)		
(a) Secured, considered good	—	—
(b) Unsecured, considered good	—	—
(c) Doubtful	—	—
(ii) Others	—	—
(iii) Debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member	—	—
<b>Total</b>	<u>—</u>	<u>—</u>
<b>Current Assets:</b>		
<b>Note No.16</b>		
<b>A. Current Investments</b>		
(i) <b>Trade Investments</b>		
(a) Investments in Equity Instruments	—	—
(b) Investments in Preference Shares	—	—
(c) Investments in Government or Trust Securities	—	—
(d) Investments in Debentures or Bonds	—	—
(e) Investments in Mutual Funds	—	—
(f) Investments in Partnership Firms	—	—
(g) Other non-current investments	—	—
(ii) <b>Non-Trade Investments</b>		
(a) Investments in Equity Instruments:		
Quoted (Fully paid)		
1) 14,800 Equity Shares of Rs.10/- each of TTK Prestige Ltd. (an Associate Company)	13,32,000	13,32,000
- Market Value Rs.2941.60 each		
2) 1,000 Equity Shares of Rs.5/- each of Apollo Hospitals Enterprise Ltd.	5,000	5,000
- Market Value Rs.638.75 each		
(b) Investments in Preference Shares	—	—
(c) Investments in Government or Trust Securities	—	—
(d) Investments in Debentures or Bonds	—	—
Unquoted (Fully paid)		
600 Secured Redeemable Non-convertible Debentures of Rs.1,00,000/- each of Citi Corp Finance (India) Ltd.	6,00,00,000	—
(e) Investments in Mutual Funds		
Unquoted (Fully paid)		
1) Kotak Select Focus Fund (Kotak Mutual Fund)	63,44,000	—
2) Kotak Indo World Infrastructure Fund (Kotak Mutual Fund)	—	1,00,00,000
Less: Provision for diminution in value of investments	—	29,77,000
(f) Investments in Partnership Firms	—	—
(g) Other non-current investments	—	—
<b>Total</b>	<u>6,76,81,000</u>	<u>83,60,000</u>
Basis of valuation of individual investments	At cost or market value whichever is lower	At cost or market value whichever is lower
Aggregate book value of quoted investments	13,37,000	13,37,000
Aggregate market value of quoted investments	4,41,74,430	3,37,00,160
Aggregate book value of unquoted investments	6,63,44,000	70,23,000
Aggregate provision for diminution in value of investments	—	29,77,000

## Notes to the Balance Sheet (Contd.)

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Note No. 17</b>		
<b>B. Inventories</b>		
(a) Raw Materials <sup>#</sup>	2,31,44,648	2,53,16,954
(b) Work-in-progress	1,57,25,433	1,65,78,818
(c) Finished goods*	20,50,90,435	14,99,05,326
(d) Stock-in-trade <sup>@</sup> (in respect of goods acquired for trading)	8,02,36,266	7,38,87,099
(e) Stores and spares	26,50,461	26,02,178
(f) Loose tools	—	—
(g) Others	—	—
<b>Total</b>	<b>32,68,47,243</b>	<b>26,82,90,375</b>
<sup>#</sup> Include Packing Materials <sup>*</sup> Include Goods-in-Transit - Rs.23,31,572 <sup>@</sup> Include Goods-in-Transit - Rs. 67,913		
Mode of valuation: Raw and Packing Materials and Consumables are valued at cost on FIFO Basis Finished Goods are valued at lower of cost or realisable value Work-in-progress is valued at works cost		
<b>Note No.18</b>		
<b>C. Trade Receivables</b>		
(i) Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment:		
(a) Secured, considered good	—	—
(b) Unsecured, considered good	31,55,641	14,812
(c) Doubtful	—	—
	<b>31,55,641</b>	<b>14,812</b>
(ii) Aggregate amount of Trade Receivables outstanding for a period not exceeding six months from the date they are due for payment:		
(a) Secured, considered good	—	—
(b) Unsecured, considered good	37,04,11,917	32,48,16,550
(c) Doubtful	—	—
	<b>37,04,11,917</b>	<b>32,48,16,550</b>
(iii) Debts due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by Firms or Private Companies respectively in which any Director is a Partner or a Director or a Member.	—	—
<b>Total</b>	<b>37,35,67,558</b>	<b>32,48,31,362</b>
<b>Note No. 19</b>		
<b>D. Cash and cash equivalents</b>		
(a) Balance with banks		
In current Account	10,58,80,928	11,40,03,738
In Deposit Account held as margin money	11,28,455	8,04,418
In Deposit Account held as security against guarantees	65,25,000	15,25,000
Deposit Account with more than 12 months maturity	—	—
Deposit Account with 12 months and less than 12 months maturity	49,70,35,901	48,53,00,000
In Interest Warrant Account	17,877	17,987
In Dividend Warrant Account	34,13,194	24,43,386
(b) Cheques, drafts on hand	—	—
(c) Cash on hand	50,27,379	39,81,079
(d) Others	—	—
<b>Total</b>	<b>61,90,28,734</b>	<b>60,80,75,608</b>

## Notes to the Balance Sheet (Contd.)

	As at 31.03.2012 Rs.	As at 31.03.2011 Rs.
<b>Note No.20</b>		
<b>E. Short-term Loans and Advances</b>		
(i) Secured Short-term Loans and Advances	—	—
(ii) Unsecured Short-term Loans and Advances, considered good:		
(a) Loans and Advances to related parties	—	—
(b) Others :		
i. Lease Deposits	4,84,000	2,09,000
ii. Deposit with Govt. Departments	78,74,017	73,44,938
iii. Earnest Money Deposits	19,40,901	14,63,551
iv. Advances others	6,31,73,098	3,31,51,840
v. Advance Income-tax and Fringe Benefit Tax	26,28,48,619	33,63,20,635
(iii) Doubtful Short-term Loans and Advances	—	—
(iv) Loans & Advances due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by Firms or Private Companies respectively in which any director is a partner or a director or a member.	—	—
<b>Total</b>	<b>33,63,20,635</b>	<b>27,21,46,645</b>
<b>Note No. 21</b>		
<b>F. Other current assets</b>		
	—	—
<div> <div> For M/s. AIYAR &amp; CO. Chartered Accountants Regn.No.000063S  N. SRIDHARAN Proprietor Membership No. 20503  Place : Chennai Date : May 22, 2012 </div> <div> For M/s. S VISWANATHAN Chartered Accountants Regn.No.004770S  C N SRINIVASAN Partner Membership No. 18205 </div> <div> T T Jagannathan, Chairman T T Raghunathan, Executive Vice Chairman R K Tulshan, Director Dr K R Srimurthy, Director B N Bhagwat, Director J Srinivasan, Director K Vaidyanathan, Executive Director K Shankaran, Director S Kalyanaraman, Company Secretary B V K Durga Prasad, Vice President - Finance </div> </div>		

## Notes to the Balance Sheet (Contd.)

## Annexure 1 - A

## FIXED ASSET DETAILS

Description of Assets	Gross Block (At Cost)				Accumulated Depreciation, Amortisation & Impairment				Net Block	
	As on 01-04-2011	Additions	Deletions	As on 31-03-2012	Up to 31-03-2011	Deletions	For the Year	Up to 31-03-2012	As on 31-03-2012	As on 31-03-2011
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>(A) TANGIBLE ASSETS</b>										
1. <b>Freehold Assets:</b>										
(a) Land	5,51,07,766	—	—	5,51,07,766	—	—	—	—	5,51,07,766	5,51,07,766
(b) Buildings	11,06,66,445	4,79,860	—	11,11,46,305	3,17,13,576	—	33,50,746	3,50,64,322	7,60,81,983	7,89,52,869
(c) Plant & Machinery	17,22,49,562	1,15,84,093	19,17,625	18,19,16,030	7,04,85,840	11,44,393	56,48,486	7,49,89,933	10,69,26,097	10,17,63,722
Electrical Installation	2,05,76,054	3,27,157	—	2,09,03,211	56,57,398	—	8,44,739	65,02,137	1,44,01,074	1,49,18,656
Fire Fighting Equipments	4,90,774	—	—	4,90,774	2,22,772	—	22,558	2,45,330	2,45,444	2,68,002
Air-conditioners	1,15,91,407	7,89,445	3,43,750	1,20,37,102	47,13,762	1,60,846	5,51,387	51,04,303	69,32,799	68,77,645
Lift	7,99,636	—	—	7,99,636	3,72,221	—	33,487	4,05,708	3,93,928	4,27,415
Patterns, Dies & Templates	2,68,90,172	21,40,936	—	2,90,31,108	1,41,22,634	—	22,16,626	1,63,39,260	1,26,91,848	1,27,67,538
Lab Equipments	62,33,161	21,24,001	—	83,57,162	43,42,063	—	3,18,025	46,60,088	36,97,074	18,91,098
<b>Sub-Total</b>	<b>23,88,30,766</b>	<b>1,69,65,632</b>	<b>22,61,375</b>	<b>25,35,35,023</b>	<b>9,99,16,690</b>	<b>13,05,239</b>	<b>96,35,308</b>	<b>10,82,46,759</b>	<b>14,52,88,264</b>	<b>13,89,14,076</b>
(d) Furniture & Fittings	1,58,06,860	4,61,603	46,000	1,62,22,463	92,35,238	46,000	6,45,330	98,34,568	63,87,895	65,71,622
(e) Vehicles	1,12,14,766	—	—	1,12,14,766	38,57,497	—	10,00,763	48,58,260	63,56,506	73,57,269
Bicycles	8,521	—	—	8,521	8,520	—	—	8,520	1	1
<b>Sub-Total</b>	<b>1,12,23,287</b>	<b>—</b>	<b>—</b>	<b>1,12,23,287</b>	<b>38,66,017</b>	<b>—</b>	<b>10,00,763</b>	<b>48,66,780</b>	<b>63,56,507</b>	<b>73,57,270</b>
(f) Office Equipments	68,13,691	10,87,120	—	79,00,811	41,22,736	—	2,78,975	44,01,711	34,99,100	26,90,955
(g) Computers	4,72,55,826	81,49,211	7,23,580	5,46,81,457	3,81,65,485	7,21,425	29,52,711	4,03,96,771	1,42,84,686	90,90,341
<b>Total</b>	<b>48,57,04,641</b>	<b>2,71,43,426</b>	<b>30,30,955</b>	<b>50,98,17,112</b>	<b>18,70,19,742</b>	<b>20,72,664</b>	<b>1,78,63,833</b>	<b>20,28,10,911</b>	<b>30,70,06,201</b>	<b>29,86,84,899</b>
2. <b>Leased Assets :</b>										
(a) Land	1,65,91,798	—	—	1,65,91,798	9,82,004	—	1,72,080	11,54,084	1,54,37,714	1,56,09,794
(b) Buildings	1,18,83,965	—	—	1,18,83,965	1,10,39,804	—	4,56,097	1,14,95,901	3,88,064	8,44,161
(c) Vehicles	1,75,50,639	9,20,371	19,89,600	1,64,81,410	93,65,053	19,89,600	28,56,319	1,02,31,772	62,49,638	81,85,586
<b>Total</b>	<b>4,60,26,402</b>	<b>9,20,371</b>	<b>19,89,600</b>	<b>4,49,57,173</b>	<b>2,13,86,861</b>	<b>19,89,600</b>	<b>34,84,496</b>	<b>2,28,81,757</b>	<b>2,20,75,416</b>	<b>2,46,39,541</b>
<b>Grand Total</b>	<b>53,17,31,043</b>	<b>2,80,63,797</b>	<b>50,20,555</b>	<b>55,47,74,285</b>	<b>20,84,06,603</b>	<b>40,62,264</b>	<b>2,13,48,329</b>	<b>22,56,92,668</b>	<b>32,90,81,617</b>	<b>32,33,24,440</b>
Previous year	43,39,37,017	10,72,90,932	94,96,906	53,17,31,043	19,62,85,862	80,48,169	2,01,68,910	20,84,06,603	32,33,24,440	23,76,51,155
Capital Work-in-progress	4,77,53,518	1,16,03,794	—	5,93,57,312	—	—	—	—	5,93,57,312	4,77,53,518
Previous year	6,31,97,828	4,75,51,468	6,29,95,778	4,77,53,518	—	—	—	—	4,77,53,518	6,31,97,828

## Annexure 1 - B

## (B) INTANGIBLE ASSETS

(a) Goodwill	—	—	—	—	—	—	—	—	—	—
(b) Brand / Trade Mark	1,12,49,800	—	—	1,12,49,800	1,12,49,800	—	—	1,12,49,800	—	—
(c) Computer softwares	1,42,49,180	43,24,790	—	1,85,73,970	1,14,26,183	—	27,31,329	1,41,57,512	44,16,458	28,22,997
(d) Mastheads & publishing titles	—	—	—	—	—	—	—	—	—	—
(e) Mining rights	—	—	—	—	—	—	—	—	—	—
(f) Copyright, Patents, etc.	—	—	—	—	—	—	—	—	—	—
(g) Recipes, formulae, designs	—	—	—	—	—	—	—	—	—	—
(h) Licenses and franchise	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>2,54,98,980</b>	<b>43,24,790</b>	<b>—</b>	<b>2,98,23,770</b>	<b>2,26,75,983</b>	<b>—</b>	<b>27,31,329</b>	<b>2,54,07,312</b>	<b>44,16,458</b>	<b>28,22,997</b>
Previous year	2,49,90,303	5,08,677	—	2,54,98,980	2,26,30,156	—	45,827	2,26,75,983	28,22,997	23,60,147
Under development	—	—	—	—	—	—	—	—	—	—
Previous year	—	—	—	—	—	—	—	—	—	—

Note : Depreciation for the year amounting to Rs 5,02,177 (previous year - Rs.5,02,204) in respect of increased value of Fixed Assets on account of revaluation has been directly debited to Revaluation Reserve and deducted from the total depreciation of Rs. 2,40,79,658 for the year (previous year - Rs.2,02,14,737).



## Notes to Profit and Loss Statement

for the year ended 31<sup>st</sup> March 2012

		2011-12		2010-11	
	Units	Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>Note No.22</b>					
<b>Revenue from Operations:</b>					
(a)	Sale of products:				
	Orals	Lakhs	298.146	270.635	68,88,67,080
	Tablets	Lakhs	1,057.373	1,086.388	36,72,54,249
	Injectables	Lakhs	154.228	160.306	18,49,84,423
	Capsules	Lakhs	398.182	411.642	14,26,74,929
	Food Products	M.T.	3,057.699	2,197.726	9,85,12,718
	Granules	M.T.	834.749	656.516	13,02,62,964
	Hospital Care Products	—	14,20,99,117	—	18,26,11,089
	Footcare Products	—	8,26,84,672	—	10,69,43,474
	Orthopaedic Implants	Sets of 3s	672	301	1,38,29,532
	Ointment	M.T.	7.636	8.767	1,24,83,044
	Cosmetics	M.T.	693.600	717.400	17,68,21,484
	Cosmetics	K.Ltrs.	918.670	682.220	32,05,82,958
	Condoms	Millions	134.640	148.220	59,12,52,773
	Maps & Atlases	Nos.	6,15,222	4,11,635	2,01,32,015
	Scrub Pads	—	5,81,53,155	—	5,39,57,212
	Others	—	12,91,026	—	24,75,550
			352,54,57,953		309,36,45,494
(b)	Sale of services		81,81,715		93,73,781
(c)	Other operating revenues		37,82,000		64,34,688
	Total Revenue from operations		353,74,21,668		310,94,53,963
	Less: Excise duty		2,607		2,49,497
	<b>Total Revenue from Operations (Net)</b>		<b>353,74,19,061</b>		<b>310,92,04,466</b>
<b>Note No.23</b>					
<b>Other Income:</b>					
(a)	Interest Income		4,62,96,204		3,34,18,603
(b)	Dividend Income		1,88,750		5,11,981
(c)	Net gain / loss on sale of investments		—		92,65,000
(d)	Other non-operating income (net of expenses directly attributable to such income)		4,37,918		8,70,791
(e)	Net foreign exchange gain		1,19,676		—
	<b>Total</b>		<b>4,70,42,548</b>		<b>4,40,66,375</b>
<b>Note No.24</b>					
<b>Employee benefits expense:</b>					
(a)	Salaries, Wages and Bonus		35,79,05,993		30,18,45,537
(b)	Contribution to Provident and Other Funds		2,24,96,801		1,96,92,860
(c)	Gratuity and Superannuation		2,29,17,352		2,10,98,267
(d)	Contribution to E.S.I.		76,79,889		46,66,978
(e)	Expenses on Employee Stock Option Scheme		—		—
(f)	Expenses on Employee Stock Purchase Plan		—		—
(g)	Welfare Expenses		2,46,21,954		2,08,94,025
	<b>Total</b>		<b>43,56,21,989</b>		<b>36,81,97,667</b>
<b>Note No.25</b>					
<b>Finance costs:</b>					
(a)	Interest expense		2,46,97,390		1,72,22,335
(b)	Other borrowing costs		9,00,000		8,75,000
(c)	Applicable net gain / loss on foreign currency transactions and translation.		—		—
	<b>Total</b>		<b>2,55,97,390</b>		<b>1,80,97,335</b>

## Notes to Profit and Loss Statement (Contd.)

		2011-12	2010-11
		Rs.	Rs .
<b>Note No.26</b>			
<b>Depreciation and amortisation expenses:</b>			
(a) Depreciation		2,40,79,658	2,02,14,737
Less: Transfer from revaluation reserve		5,02,177	5,02,204
		<u>2,35,77,481</u>	<u>1,97,12,533</u>
(b) Amortisation expenses		—	—
<b>Total</b>		<u>2,35,77,481</u>	<u>1,97,12,533</u>
<b>Note No.27</b>			
<b>Other Expenses:</b>			
Power & Fuel		2,60,47,732	1,94,24,316
Repairs & Maintenance:			
• Repairs to Building	15,31,721		10,51,896
• Repairs to Plant & Machinery	2,27,92,396		1,75,74,597
• Factory / Office Upkeep	<u>85,90,060</u>	<u>3,29,14,177</u>	<u>65,09,009</u>
Consumable Stores		19,17,278	13,32,976
General Insurance		15,64,673	16,73,129
Rates & Taxes		15,73,074	12,95,714
Rent		1,22,35,111	1,13,33,009
Electricity		76,39,340	71,91,514
Printing & Stationery		1,61,57,719	1,57,45,141
Postage, Telephones & Telegrams		2,13,24,757	2,14,69,450
Carriage Outwards		12,18,45,759	10,12,72,436
Transit Insurance		27,23,626	22,62,638
Advertisement & Sales Promotion		44,97,59,531	41,49,77,332
Travelling & Conveyance		18,35,29,324	15,69,93,218
Audit & Other Fees:			
• Audit Fees	10,28,094		9,09,975
• Tax Audit Fees	95,506		82,725
• Cost Audit Fees	44,944		33,090
• Reimbursement of expenses	74,321		20,032
• Other matters	<u>55,150</u>	<u>12,98,015</u>	<u>30,000</u>
Donation		54,94,001	35,57,352
Depot Service Charges		6,77,70,606	5,79,42,054
Directors' Sitting Fees		2,30,000	2,05,000
Loss on Sale of Assets		2,86,869	1,61,501
Loss on Sale of Leased Assets		—	2,38,075
Loss on obsolescence of Assets		—	7,40,467
Loss on Sale of Investment		6,79,000	—
Conversion Charges		43,825	7,32,463
Bad debts written off		15,37,231	23,26,522
Provision for diminution in value of investments		—	29,77,000
Non Recoverable Advance written off		—	50,000
Net foreign exchange loss		—	3,46,337
Technical Know-how		8,27,250	—
Miscellaneous Expenses		4,48,96,666	4,96,83,288
<b>Total</b>		<u>100,22,95,564</u>	<u>90,01,42,256</u>

## Notes on Accounts

S. No.	Particulars	UNITS	2011-12		2010-11	
			Quantity	Value (Rs.)	Quantity	Value (Rs.)
(1)	<b>Materials Consumed:</b>					
	a. Industrial Alcohol	K.L.	0.008	921	0.157	18,891
	b. Sweetening Agents & Base	M.T.	24.359	12,34,114	26.461	11,59,214
	c. Fats & Oils	M.T.	8.995	7,02,002	2.562	2,25,130
	d. Vitamins & Nutrients	M.T.	—	1,272	0.031	1,67,573
	e. Drugs	M.T.	2.150	2,21,395	1.701	1,70,186
	f. Anti Bacterial Preservatives	M.T.	0.898	3,05,528	0.844	2,67,773
	g. Flavouring & Colouring Agents	M.T.	1.783	7,59,397	0.895	4,27,964
	h. Enzymes & Biological Products	M.T.	2.842	4,33,695	2.611	6,30,946
	i. Vegetable & Crude Drugs	M.T.	61.315	38,08,042	61.135	47,22,192
	j. Cereals, Spices & Salts	M.T.	3,428.279	6,44,44,491	2,488.595	4,54,74,843
	k. Other Chemicals	-	—	27,69,670	—	20,85,542
	l. Containers & Closures	1000s	224.896	22,34,830	268.374	17,96,391
	m. Non-ferrous castings	Nos	2,337.000	30,45,008	1,186.000	24,21,812
	n. Packing & Other Materials	-	—	5,18,05,595	—	5,47,17,154
	<b>Total</b>			<b>13,17,65,960</b>		<b>11,42,85,611</b>

Particulars	2011-12	2010-11
(2) <b>Statement on Work-in-progress</b>		
Heart Valve & Accessories	1,13,98,866	1,28,20,284
Food Products	13,64,001	20,13,787
Orthopaedic Implants & Instrument Sets	29,62,566	17,44,747
<b>Total</b>	<b>1,57,25,433</b>	<b>1,65,78,818</b>

Particulars	2011-12		2010-11	
	%	Rs	%	Rs
(3) <b>Value of Materials, Spare Parts &amp; Components Consumed during the year :</b>				
a. Materials :				
i) Imported	4.81	63,41,311	4.77	54,48,301
ii) Indigenous	95.19	12,54,24,649	95.23	10,88,37,310
	100.00	13,17,65,960	100.00	11,42,85,611
b. Spare Parts & Components :				
i) Imported	2.03	38,953	—	—
ii) Indigenous	97.97	18,78,325	100.00	13,32,976
	100.00	19,17,278	100.00	13,32,976
(4) <b>Value of Imports (CIF Value)</b>				
i) Raw Materials		3,05,58,973		1,85,85,626
ii) Finished Goods		—		—
iii) Capital Goods		15,28,329		1,37,41,415
iv) Spares		19,971		—
		3,21,07,273		3,23,27,041
(5) <b>Earnings in Foreign Exchange</b>				
Export of Goods (FOB Value)		2,58,06,354		2,13,18,225
(6) <b>Expenditure in Foreign Currency:</b>				
i) Travelling		23,94,525		20,82,261
ii) Royalty, Consultancy, Product Registration / Promotion Expenses etc.		20,08,901		20,18,361
		44,03,426		41,00,622
(7) <b>Interest comprises of:</b>				
i) Interest on Fixed Loans		56,93,113		43,50,327
ii) Interest - Others		1,90,04,277		1,28,72,008
		2,46,97,390		1,72,22,335

## Notes on Accounts (Contd.)

**(8) Contingent Liabilities not provided for:**

	2011-12 (Rs.in Lakhs)	2010-11 (Rs.in Lakhs)
Guarantees against letters of credit opened	134.71	59.77
Other Guarantees	183.20	126.25
Disputed Taxes/Claims, not acknowledged as debts	1,505.58	1,803.28
	<u>1,823.49</u>	<u>1,989.30</u>

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

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

**Defined Contribution Plan:**

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

	2011-12 Rs.	2010-11 Rs.
Employer's Contribution to Provident Fund	2,24,96,801	1,96,92,860
Employer's Contribution to Superannuation Fund	1,47,76,138	1,27,33,689

**Defined Benefit Plan :**

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

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

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

	Gratuity Funded		Leave Encashment Unfunded	
	2011-12 Rs.	2010-11 Rs.	2011-12 Rs.	2010-11 Rs.
Defined Benefit obligation at the beginning of the year	5,25,57,405	4,44,41,286	1,26,24,398	90,55,557
Current Service Cost	54,50,637	48,91,649	22,22,504	18,32,565
Interest Cost	42,04,592	35,55,303	8,43,450	6,19,756
Actuarial (gains) and losses on obligation	38,45,900	34,32,354	37,82,847	37,33,734
Benefits paid	58,90,861	37,63,187	41,62,539	26,17,214
Defined Benefit obligation at the end of the year	6,01,67,673	5,25,57,405	1,53,10,660	1,26,24,398

**Reconciliation of the opening and closing balances of fair value of plan assets:**

	Gratuity Funded	
	2011-12 Rs.	2010-11 Rs.
Fair value of plan assets at the beginning of the year	5,06,51,493	3,98,82,262
Expected return on plan assets	48,28,644	41,86,665
Actuarial loss on plan assets	—	—
Contribution by the employer	82,32,585	1,03,45,753
Benefits paid	58,90,861	37,63,187
Fair value of plan assets at the end of the year	5,78,21,861	5,06,51,493



## Notes on Accounts (Contd.)

**Reconciliation of the fair value of assets and obligations:**

	<b>Gratuity Funded</b>		<b>Leave Encashment Unfunded</b>	
	<b>2011-12 Rs.</b>	<b>2010-11 Rs.</b>	<b>2011-12 Rs.</b>	<b>2010-11 Rs.</b>
Fair value of plan assets	5,78,21,861	5,06,51,493	—	—
Present value of obligation	6,01,67,673	5,25,57,405	—	—
Amount recognised in Balance Sheet	23,45,812	19,05,912	1,53,10,660	1,26,24,398
<b>Expenses recognised during the year :</b>				
Current Service Cost	54,50,637	48,91,649	22,22,504	18,32,565
Interest Cost	42,04,592	35,55,303	8,43,450	6,19,756
Expected return on plan assets	48,28,644	41,86,665	—	—
Actuarial loss (gain)	38,45,900	34,32,354	37,82,847	37,33,734
Net Cost	86,72,485	76,92,641	68,48,801	61,86,055

**Actuarial Assumptions**

	<b>Gratuity Funded</b>		<b>Leave Encashment Unfunded</b>	
	<b>2011-12</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Mortality Table (LIC)</b>				
	1994-96	1994-96	1994-96	1994-96
	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate (p.a)	8%	8%	8%	8%
Expected rate of return on plan assets (p.a)	8%	8%	0%	0%
Rate of Escalation in Salary (p.a)	5%	5%	4%	4%

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

- (12) During the year, the Company has accounted for Deferred Tax in accordance with the Accounting Standard 22 (AS-22) "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. As a result of the adoption of this Standard, the Profit is less by Rs.21.91 Lakhs for the year 2011-12 as detailed below:-

	<b>2011-12 (Rs. in Lakhs)</b>	<b>2010-11 (Rs. in Lakhs)</b>
<b>Deferred Tax Asset:</b>		
Unabsorbed Losses/ Tax Credit/ Depreciation	—	—
Others	65.39	54.50
Total	65.39	54.50
<b>Deferred Tax Liability:</b>		
Depreciation Difference & Others	298.51	265.71
<b>Net Deferred Tax Asset/ (Liability)</b>	<b>(233.12)</b>	<b>(211.21)</b>

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

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

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

Your Company could not fulfil one of the conditions and hence an Application was made to CBDT for relaxation of the condition under the said Rule 9C.

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

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

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

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

## Notes on Accounts (Contd.)

- (15) During the year, the Company has written off non-recoverable debts to the extent of Rs.15,37,231.
- (16) During the year 2010-11, your Company had invested Rs.6 Crores in 27-Month Nifty-Linked Secured Redeemable Non-Convertible Debentures (NCDs) (100% Principal protected) in Citi Corp Finance (India) Ltd. The investment is for a period of 27 months with an average yield of 7.44% p.a. and is linked to Nifty performance. The interest on these debentures will be accounted at the time of redemption of these debentures, as the interest thereon has not accrued as per the terms of the Contract.
- (17) Your Company was holding an investment of Rs.70.23 Lakhs in Kotak Indo World Infrastructure Fund at the beginning of the year.  
During the year, this Fund was closed and the redemption amount was determined at Rs.63.44 Lakhs. The loss on redemption amounting to Rs.6.79 Lakhs has been duly accounted.  
The Company invested the aforesaid amount of Rs.63.44 Lakhs in Kotak Select Focus Fund.
- (18) The Capital Work-in-progress amounting to Rs.593.57 Lakhs represents the cost of Pre-owned Pellet (Pappad) Manufacturing Line bought from M/s.Mcfills Enterprises Pvt. Ltd. Ahmedabad and the Civil and Electrical works carried out for the Project in progress at the Foods Division. This will be capitalised after completion of the Project.
- (19) The Public Works Department increased the Water Charges for the water drawn by the Paper Division from the river Bhavani from Rs.60/- per 1000 Cu. Mtr to Rs.500/- per 1000 Cu. Mtr on the contracted quantity of water, with effect from 09.05.1991. The Company filed a writ petition in the Hon'ble High Court of Judicature at Madras and as per the interim order dated 09.07.1991, passed by the Hon'ble High Court, the Company was paying water charges @ Rs.200/- per 1000 Cu. Mtr of water on the actual quantity of water drawn and with effect from 01.04.1993 on the contracted quantity. The Writ was disposed off by the Hon'ble Court by remanding the matter to the Public Works Department.  
After series of litigations, the Public Works Department confirmed the water charges @ Rs.500/- per 1000 Cu. Mtr on the contracted quantity. The Company has moved the Hon'ble High Court challenging the validity of payment on the contracted quantity instead of actual quantity of water drawn and this matter is pending before the Hon'ble High Court.  
As against the demand of Rs.175.39 Lakhs consisting of Rs.49.66 Lakhs towards the arrear water charges and Rs.125.73 Lakhs towards interest upto the period 31.12.2008, the Company has fully paid the principal amount of Rs.49.66 Lakhs.  
Further, the Company has also made a request for waiver of the interest charges to PWD and the request is pending before them.  
Since the Paper Division has been disposed off, the liability, if any, on this account upto the date of sale (i.e. 14.11.1999), will have to be borne by the Company. As a matter of prudence, the Company has made a provision of Rs.12 Lakhs during the year and the cumulative provision available on this account as on date is Rs.55.85 Lakhs.

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

	2011-12	2010-11
	Rs.	Rs.
Profit after Tax [Current/Deferred Tax & Extraordinary item(s) as per the Profit & Loss Statement (Rs. in Lakhs)]	<b>1,562.91</b>	1,472.20
Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs Shares)	<b>77.66</b>	77.66
Earnings per share of Rs.10/-each	<b>20.13</b>	18.96

- (21) The Company has acquired certain assets on Finance Lease on or after 1<sup>st</sup> April, 2001, amounting to Rs.1,64,81,410 (previous year - Rs.1,75,50,639). The minimum Lease rental outstandings as of 31<sup>st</sup> March, 2012 in respect of these assets were as follows:

Particulars	Total Minimum Lease payments outstanding as on		Future Interest on Outstanding of Lease payments as on		Present value of Minimum Lease Payments as on	
	31.03.2012 Rs.	31.03.2011 Rs.	31.03.2012 Rs.	31.03.2011 Rs.	31.03.2012 Rs.	31.03.2011 Rs.
Within one year	<b>31,26,275</b>	37,64,645	<b>8,30,477</b>	10,63,240	<b>22,95,798</b>	27,01,405
Later than one year and not later than 5 years	<b>56,21,445</b>	76,39,735	<b>8,82,728</b>	14,36,101	<b>47,38,717</b>	62,03,634
Later than 5 years	—	—	—	—	—	—
Total	<b>87,47,720</b>	1,14,04,380	<b>17,13,205</b>	24,99,341	<b>70,34,515</b>	89,05,039

## Notes on Accounts (Contd.)

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

List of Related Parties with whom transactions have taken place during the year:

Related Parties/ Firms	T T Krishnamachari & Co. Pharma Research & Analytical Laboratories TTK Prestige Limited TTK-LIG Limited Packwell Packaging Products Limited SSL-TTK Limited Mr T T Lakshman
Key Management Personnel	Mr T T Raghunathan Executive Vice Chairman Mr K Vaidyanathan Executive Director

Summary of transactions with the above Related Parties is as follows

	(Rs. in Lakhs)	
	2011-12	2010-11
Purchase of Goods	6,388.75	6,095.38
Receiving Services	379.77	315.89
Interest Received on Deposits	—	0.88
Rental Charges Paid	44.61	44.61
Rental Charges Received	8.75	8.60
Logo Charges Paid	180.56	155.68
Refund of Deposit received	—	20.00
Outstanding Balance included in Current Assets	29.27	25.20
Outstanding Balance included in Current Liabilities	1,318.10	1,601.78
Managerial Remuneration	162.74	148.94
Salaries Paid	13.02	10.84
Sale of Goods	16.41	—

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

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

	(Rs. in Lakhs)			
Particulars	As at 01.04.2011	Additions	Amount used / reversed	As at 31.03.2012
Income-Tax	1,993.68	770.00	728.68	2,035.00
	(1,263.68)	(730.00)	—	(1,993.68)
Fringe Benefit Tax	391.00	—	391.00	—
	(391.00)	—	—	(391.00)

## Notes on Accounts (Contd.)

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

(Rs. in Lakhs)

Particulars	As at 01.04.2011	Additions	Amount used / reversed	As at 31.03.2012
Income-Tax & Fringe Benefit Tax	1,108.33	—	305.80	802.53
	(732.40)	(867.00)	(491.07)	(1,108.33)
Central Excise, Customs, Sales Tax, etc.	583.03	43.38	23.28	603.13
	(592.57)	(12.29)	(21.83)	(583.03)
Other Contingent Liabilities	297.94	131.89	12.00	417.83
	(353.70)	(43.22)	(98.98)	(297.94)

**Notes:**

The disputed Income Tax/ Fringe Benefit Tax liabilities amounting to Rs.802.53 Lakhs have not been acknowledged as debts and have been classified under Contingent Liabilities.

Similarly, Rs.603.13 Lakhs being the disputed Central Excise/Customs/Sales Tax liabilities have not been acknowledged as debts and have been classified under Contingent Liabilities.

Other Contingent Liabilities mainly include disputed liability towards water charges amounting to Rs.69.88 Lakhs as per the details given in Point No.19 of the Notes on Accounts.

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

- (24) Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation and also to be in conformity with Revised Schedule VI. Figures have been rounded off to the nearest rupee.



## Notes on Accounts (Contd.)

### STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES

#### System of Accounting

The Company generally adopts the accrual basis of accounting. The Financial Statements are prepared under historical cost convention, except for certain fixed assets which are revalued in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

#### Fixed Assets

Fixed Assets are normally stated at cost. In the case of revaluation of any fixed assets, the same are stated at revalued amounts.

#### Depreciation

Depreciation is being charged at the rates prescribed in Schedule XIV to the Companies Act, 1956, under Written Down Value method in respect of Assets purchased on or before 31<sup>st</sup> May, 1984 and under Straight Line Method in respect of other Assets. In respect of the Capital expenditure incurred on Leasehold Assets, the same is amortized over the duration of the lease.

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

#### Investments

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

#### Foreign Currency Transactions

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

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

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

#### Value of Inventories

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

#### Sales

Sales are stated net of returns, discounts and Sales Tax and exclusive of Excise Duty.

#### Treatment of Retirement Benefits

Based on the actuarial valuation, provisions have been made for the differential amounts in Gratuity / Leave Encashment obligations as per the requirements of Accounting Standard 15 (AS-15) (Revised) issued by The Institute of Chartered Accountants of India.

#### Provisions & Contingencies

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

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

#### Annexure to our Report of date

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

N. SRIDHARAN  
Proprietor  
Membership No. 20503

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

C N SRINIVASAN  
Partner  
Membership No. 18205

Place : Chennai  
Date : May 22, 2012

T T Jagannathan, Chairman  
T T Raghunathan, Executive Vice Chairman  
R K Tulshan, Director  
Dr K R Srimurthy, Director  
B N Bhagwat, Director  
J Srinivasan, Director  
K Vaidyanathan, Executive Director  
K Shankaran, Director  
S Kalyanaraman, Company Secretary  
B V K Durga Prasad, Vice President - Finance

## Segment-wise Revenue, Results &amp; Capital Employed

## Segment-wise Revenue &amp; Results:

(Rs. in Lakhs)

Particulars	2011-12			2010-11		
	Segment Revenue	Excise Duty relating to Sales	Net Segment Revenue	Segment Revenue	Excise Duty relating to Sales	Net Segment Revenue
<b>Segment Revenue:</b>						
Pharmaceuticals	17,786.45	0.03	17,786.42	15,265.52	2.49	15,263.03
Medical Devices	1,722.58	—	1,722.58	1,983.67	—	1,983.67
Consumer Products Distribution	14,105.49	—	14,105.49	12,495.40	—	12,495.40
Foods	1,348.48	—	1,348.48	990.54	—	990.54
Others	373.40	—	373.40	295.06	—	295.06
<b>Total Segment Revenue</b>	<b>35,336.40</b>	<b>0.03</b>	<b>35,336.37</b>	<b>31,030.19</b>	<b>2.49</b>	<b>31,027.70</b>
Less: Inter Segment Revenue	—	—	—	—	—	—
Net Sales	<b>35,336.40</b>	<b>0.03</b>	<b>35,336.37</b>	<b>31,030.19</b>	<b>2.49</b>	<b>31,027.70</b>
<b>Segment Results:</b>						
[Profit / (Loss) before Interest & Tax]						
Pharmaceuticals			2,617.23			2,353.24
Medical Devices			419.82			707.74
Consumer Products Distribution			24.35			(140.38)
Foods			(17.18)			(41.28)
Others			(13.99)			(95.66)
<b>Total Segment Results</b>			<b>3,030.23</b>			<b>2,783.66</b>
Less: Interest Expenses			255.97			180.97
Less: Unallocable Expenses (Net of Unallocable Income)			419.43			388.25
<b>Total Profit/(Loss) before Tax</b>			<b>2,354.83</b>			<b>2,214.44</b>

## Segment-wise Revenue, Results &amp; Capital Employed (Contd.)

<b>Capital Employed (Segment Assets less Segment Liabilities):</b>			(Rs. In Lakhs)
<b>Particulars</b>	<b>As on 31.03.2012</b>	<b>As on 31.03.2011</b>	
Pharmaceuticals	849.13	1,017.54	
Medical Devices	1097.43	1,107.63	
Consumer Products Distribution	478.10	(14.75)	
Foods	1,912.62	1,493.29	
Others	325.06	288.80	
<b>Total Capital Employed in Segments</b>	<b>4,662.34</b>	<b>3,892.51</b>	
Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	5,779.86	4,810.43	
<b>Total Capital Employed in Company</b>	<b>10,442.20</b>	<b>8,702.94</b>	
<b>Total Assets Exclude:</b>			
Investments	676.81	683.60	
Deferred Tax Asset	65.39	54.51	
<b>Total Liabilities Exclude:</b>			
Secured Loans	1,754.51	1,240.83	
Unsecured Loans	—	—	
Deferred Tax Liability	298.52	265.71	
Proposed Dividend including Dividend Tax	361.03	361.03	
<b>Notes:</b>			
1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) considering the organisation structure and the differential risks and returns of these segments.			
2. Segment Sales is net of Excise Duty related to the Sales of own manufactured goods for the current as well as for the previous year.			
3. Details of products included in each of the segments are as below:			
<ul style="list-style-type: none"> <li>Pharmaceuticals include products for both Human and Veterinary use. It also includes OTC Brands like Woodward's Gripewater distributed by the Consumer Products Division.</li> <li>Medical Devices include Artificial Heart Valves, Hernia Repair Mesh, Orthopaedic Implants, etc.</li> <li>Consumer Products Distribution consists of marketing and distribution of EVA range of Cosmetics, Good Home Range of Scrubbers, Air Freshners, etc. (Own Brands) and also trading of Branded Condoms and Dr. Scholl range of Footcare Products.</li> <li>Foods comprise of manufacturing and marketing of Food Products.</li> <li>"Others" comprise of Printing and Publishing of Maps and Atlases.</li> </ul>			
4. 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.			
5. The previous year's figures have been regrouped and reclassified, wherever necessary to conform to the current year's presentation and also to be in conformity with Revised Schedule VI.			

## Balance Sheet Abstract and Company's General Business Profile

PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956, IN TERMS OF DEPARTMENT OF COMPANY AFFAIRS NOTIFICATION  
DATED 15-5-95

<b>I. REGISTRATION DETAILS</b>		
Registration Number		003647
State Code		18
Balance Sheet Date		31-03-2012
<b>II. CAPITAL RAISED DURING THE YEAR (Amount in Rupees)</b>		
Public Issue		Nil
Rights Issue		Nil
Private Placement		Nil
<b>III. POSITION OF MOBILISATION &amp; DEPLOYMENT OF FUNDS (Amount in Rupees)</b>		
Total Liabilities		212,72,54,544
Total Assets		212,72,54,544
<b>Sources of Funds</b>		
Paid-up Capital		7,76,59,830
Reserves & Surplus		79,93,73,702
Secured Borrowings (Current)		17,54,51,160
Unsecured Loans		-
Other Long Term Liabilities		8,02,26,737
<b>Applications of Funds</b>		
Net Fixed Assets		39,28,55,387
Investments		6,76,81,000
Long Term Loans & Advances		1,09,53,987
Net Current Assets		68,45,33,502
Deferred Tax Asset (Net)		(2,33,12,447)
<b>IV. PERFORMANCE OF THE COMPANY</b>		
Turnover (Total Income)		358,44,61,609
Total Expenditure		334,89,79,053
Profit(+)/Loss(-) before Tax		23,54,82,556
Provision for Tax		7,70,00,000
Deferred Tax		21,91,477
Profit(+)/Loss(-) after Tax		15,62,91,079
Earning Per Share (after Extraordinary Items) (In Rs.)		20.13
Dividend Rate		40%
<b>V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)</b>		
Item Code No. (ITC Code)		Product Description
300390.27		Gripewater
330720.00		Deodorants
300450.03		Calcium Supplement

Annexure to our Report of date

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

N. SRIDHARAN  
Proprietor  
Membership No. 20503

Place : Chennai  
Date : May 22, 2012

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

C N SRINIVASAN  
Partner  
Membership No. 18205

T T Jagannathan, Chairman  
T T Raghunathan, Executive Vice Chairman  
R K Tulshan, Director  
Dr K R Srimurthy, Director  
B N Bhagwat, Director  
J Srinivasan, Director  
K Vaidyanathan, Executive Director  
K Shankaran, Director  
S Kalyanaraman, Company Secretary  
B V K Durga Prasad, Vice President - Finance

## Financial Highlights

(Prepared as per Conventional Method to facilitate comparison)

(Rs. in lakhs)

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
Sales & Other Income*	<b>35,844.64</b>	31,535.20	25,619.81	22,490.92	22,645.86	21,721.21	19,233.95	16,000.26	15,403.93	14,811.96
Profit Before Tax	<b>2,354.83</b>	2,214.44	1,550.23	1,337.45	2,199.11	584.39	498.31	(237.64)	106.02	61.02
Current Tax	<b>770.00</b>	730.00	535.00	215.00	272.44	54.30	32.98	—	8.20	19.32
Deferred Tax	<b>21.91</b>	12.25	102.49	239.98	(617.83)	(130.00)	(159.00)	30.61	(56.75)	263.92
Fringe Benefit Tax	—	—	—	95.00	90.00	100.00	106.00	—	—	—
Profit After Tax	<b>1,562.91</b>	1,472.19	912.74	787.47	1,218.84	300.09	200.33	(207.03)	41.07	305.62
Dividend	<b>310.64</b>	310.64	271.81	242.63	243.31	202.76	132.21	—	—	—
Tax on Dividend	<b>50.39</b>	50.39	46.19	41.23	41.35	34.46	18.54	—	—	—
Retained Earnings	<b>1,201.88</b>	1,111.16	594.74	503.62	934.18	62.87	49.58	(207.03)	41.07	305.62
<b>Sources &amp; Applications of Funds :</b>										
Net Block	<b>3,928.55</b>	3,739.01	3,032.09	2,098.21	1,796.80	2,854.36	3,123.22	3,176.08	3,306.58	3,438.50
Investments	<b>676.81</b>	683.60	815.37	815.37	315.37	13.37	13.87	163.22	211.01	211.01
Net Current Assets	<b>6,152.61</b>	4,602.91	4,246.79	4,908.32	4,799.79	2,444.57	829.13	1,166.71	1,799.02	2,241.21
Deferred Tax Asset	<b>65.39</b>	54.50	69.44	177.27	413.83	1,234.09	1,397.29	1,621.47	1,662.18	1,748.10
Deferred Tax Liability	<b>(298.51)</b>	(265.71)	(268.40)	(273.74)	(270.32)	(472.75)	(505.95)	(571.13)	(642.45)	(671.62)
Miscellaneous Expenditure	—	—	—	—	—	104.60	148.34	90.65	115.95	—
<b>Total Assets</b>	<b>10,524.85</b>	<b>8,814.31</b>	<b>7,895.29</b>	<b>7,725.43</b>	<b>7,055.47</b>	<b>6,178.24</b>	<b>5,005.90</b>	<b>5,647.00</b>	<b>6,452.28</b>	<b>6,967.20</b>
Share Capital	<b>776.60</b>	776.60	776.60	808.75	811.04	811.04	661.04	661.04	661.04	661.04
Reserves	<b>7,993.74</b>	6,796.88	5,690.74	5,400.88	4,921.26	3,992.11	2,989.26	2,945.72	3,297.60	3,393.16
Borrowings	<b>1,754.51</b>	1,240.83	1,427.95	1,515.80	1,323.17	1,375.09	1,355.60	2,040.24	2,493.64	2,913.00
<b>Total Liabilities</b>	<b>10,524.85</b>	<b>8,814.31</b>	<b>7,895.29</b>	<b>7,725.43</b>	<b>7,055.47</b>	<b>6,178.24</b>	<b>5,005.90</b>	<b>5,647.00</b>	<b>6,452.28</b>	<b>6,967.20</b>
* Inclusive of Excise Duty.										



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## TTK HEALTHCARE LIMITED

Regd. Office: 6, Cathedral Road, Chennai 600 086

### 54<sup>th</sup> ANNUAL GENERAL MEETING

Date : 13<sup>th</sup> August, 2012 Time : 11.00 a.m.

### ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

NAME & ADDRESS OF THE SHAREHOLDER

.....  
.....  
.....  
.....

FOLIO NO.

\* DP. ID

\* CLIENT ID

\* Applicable to investors holding shares in electronic form

I hereby record my presence at the 54<sup>th</sup> ANNUAL GENERAL MEETING OF THE COMPANY at **The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014.**

SIGNATURE OF THE MEMBER OR PROXY

NO. OF SHARES HELD



## TTK HEALTHCARE LIMITED

Regd. Office: 6, Cathedral Road, Chennai 600 086

### PROXY

I / We ..... of .....  
in the district of .....  
being a member / members of TTK HEALTHCARE LIMITED, hereby appoint .....  
of ..... in the  
district of ..... or failing him, .....  
of .....  
in the district of .....

as my / our proxy to vote for me / us on my / our behalf at the 54<sup>th</sup> Annual General Meeting of the Company to be held on Monday, the 13<sup>th</sup> August, 2012 at 11.00 a.m. at **The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014** or at any adjournment thereof.

Signed this ..... day of ..... 2012.

FOLIO NO.:

NO. OF SHARES HELD:

\* DPID:

\* CLIENT ID:

\* Applicable to investors holding shares in electronic form

#### NOTES:

PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. THE PROXY SHOULD BE SIGNED ACCORDING TO THE SPECIMEN SIGNATURE/S OF THE MEMBER/S RECORDED WITH THE COMPANY.

Please affix  
1.00 Rupee  
Revenue  
Stamp





**No more  
stomach  
aches...**



**Relieves babies from  
discomfort caused  
by gas, acidity  
and indigestion.**

