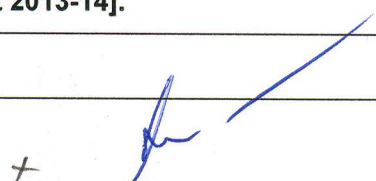
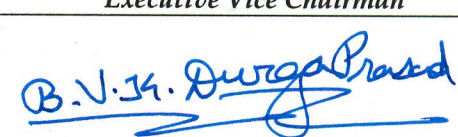

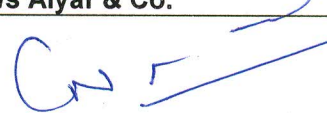





TTK Healthcare LIMITED

FORM A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	TTK Healthcare Limited
2.	Annual Financial Statements for the year ended	31 st March, 2014
3.	Type of Audit Observation	(i) Unqualified (ii) Matter of Emphasis
4.	Frequency of Observation	Matter of Emphasis - Second time (Since the Merger is in progress). [Please refer Page No.23 of the Annual Report 2013-14].
5.	Signed by-	
	CEO / Managing Director	 (T T RAGHUNATHAN) Executive Vice Chairman
	CFO	 (B V K DURGA PRASAD) Senior Vice President - Finance
	Auditors of the Company	 (N SRIDHARAN) Proprietor M/s Aiyar & Co.  (C N SRINIVASAN) Partner M/s S.Viswanathan
	Audit Committee Chairman	 (R K TULSHAN) Chairman Audit Committee

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

Phone : 91-44-28116106 - 08, Fax : 91-44-28116387

Email : info@ttkhealthcare.com Website : www.ttkhealthcare.com

CIN : L24231TN1958PLC003647

(Factory : 5, Old Trunk Road, Pallavaram, Chennai - 600 043, INDIA.)



TTK Healthcare Limited

Annual Report 2013-14

A  PRODUCT

Eva[®]

Your favourite
mesmerising fragrances,
now in refreshing,
new packs.

Your favourite Eva talc is now available in a brand-new pack. Choose from five alluring fragrances and stay morning fresh, all-day long.



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 (1st 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.
- No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044.

Publications Division : Plot No.13, 1st Avenue, Mahindra World City,
Natham Sub Post, Chengelpet 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.

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Notice to Shareholders

NOTICE is hereby given that the **Fifty Sixth Annual General Meeting** of the Company will be held at **10.15 a.m., on Friday, the 22nd August, 2014 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 31st March, 2014 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 (DIN - 00191522), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, M/s Aiyar & Co., Chartered Accountants, Chennai, (Firm Registration No.000063S) and M/s S Viswanathan, Chartered Accountants, Chennai, (Firm Registration No.004770S), be and are hereby appointed as Statutory Auditors of the Company, for a term of three years to hold office from the conclusion of this Annual General Meeting of the Company till the conclusion of the Fifty Ninth Annual General Meeting, subject to ratification at every Annual General Meeting, on such remuneration, as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company".

Special Business:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT the vacancy caused by the retirement of Mr J Srinivasan (DIN - 00063660), Director, who does not seek re-appointment, be not filled up".
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr B N Bhagwat (DIN - 00063628), Director of the Company, who retires by rotation at this Annual General Meeting and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the said Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting and not liable to retire by rotation".
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Dr (Mrs) Vandana R Walvekar (DIN - 00059160), who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the said Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting and not liable to retire by rotation".

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr Girish Rao (DIN - 00073937), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the said Act and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting and not liable to retire by rotation".

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

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the remuneration of Rs.3,50,000/- (Rupees Three lakhs fifty thousand only) plus service tax as applicable and reimbursement of travel and out-of-pocket expenses, payable to M/s Geeyes & Co., Cost Accountants (Firm Registration No.000044), for conducting the audit of cost records of the Company, for the financial year ending 31st March, 2015, as recommended by the Audit Committee and approved by the Board of Directors of the Company be and is hereby ratified and confirmed".

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Thirty Third Annual General Meeting held on 30th November, 1991 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), for mortgaging and/or charging all or any of the movable and/or immovable properties, present and future or the whole or substantially the whole of the undertaking or undertakings of the Company, for securing any loan obtained or debentures issued or

Notice to Shareholders (Contd.)

other lines of credit availed / to be availed, from time to time, from any financial institution(s), bank(s), mutual fund(s) or other parties together with interests, costs, charges, expenses and any other money payable by the Company".

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Forty Second Annual General Meeting held on 21st September, 2000 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose), to borrow money in excess of the aggregate of the Paid-up Share Capital and Free Reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of Rupees One Hundred crores over and above the aggregate of the Paid-up Share Capital and Free Reserves of the Company".

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

"RESOLVED THAT in supersession of the Ordinary Resolution passed at the Fifty First Annual General Meeting held on 27th August, 2009 and pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, permission of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to contribute to bonafide charitable and other funds, in any financial year, any amounts the aggregate of which shall not exceed 10% of its average net profits for the three immediately preceding financial years or Rupees Two crores, whichever is greater".

BY ORDER OF THE BOARD

Place : Chennai
Date : 16th July, 2014

S KALYANARAMAN
Company Secretary

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company.

The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that

Power of Attorney or other authority shall be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for holding the meeting.

A person shall not act as a Proxy for more than 50 members and holding in aggregate not more than 10% of the total voting Share Capital of the Company. However, a single person may act as a Proxy for a member holding more than 10% of the total voting Share Capital of the Company provided that such person shall not act as a Proxy for any other person.

- The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Businesses as set out in the Notice is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 19th August, 2014 to 22nd August, 2014 (Both days inclusive), for the purpose of declaration of Dividend for the financial year ended 31st March, 2014.
- The Dividend on Equity Shares as recommended by the Board of Directors, if declared at the Meeting, will be paid to those Members whose names appear in the Register of Members on 18th August, 2014.
- Members are requested to keep the Company informed of any change in their respective mailing addresses immediately. Members whose shareholding is in the electronic mode are requested to forward the change of address notifications and updation of Bank Account details to their respective Depository Participants.
- Members / Proxies are requested to affix their signatures at the space provided in the Attendance Slip and handover the Slip at the entrance of the Meeting Hall. Corporate Members are requested to send a duly certified copy of the Board Resolution / Power of Attorney authorizing their representatives to attend and vote at the Annual General Meeting.
- In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of 7 years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished below:

Financial Year Ended	Dividend Declared on	Due Date of Transfer
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
31.03.2012	13.08.2012	13.08.2019
31.03.2013	25.07.2013	25.07.2020

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

Pursuant to Investor Education and Protection Fund (uploading of Information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has provided / hosted the required details of unclaimed amounts referred to under Section 205C(2) of the Companies

Notice to Shareholders (Contd.)

Act, 1956 on its website and also in the website of the Ministry of Corporate Affairs (MCA) in the relevant form every year.

8. Members may also note that the Notice of the Annual General Meeting and the Annual Report will also be available on the Company's website www.ttkhealthcare.com.

9. VOTING THROUGH ELECTRONIC MEANS:

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and the Rules made thereunder and Clause 35B of the Listing Agreement, the Company is offering e-Voting facility to its members in respect of the businesses to be transacted at the Fifty Sixth Annual General Meeting. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-Voting as the Authorized Agency to provide e-Voting facilities.

The instructions for Shareholders voting electronically are as under:

- (i) The voting period begins at 9.30 a.m., on 16th August, 2014 and ends at 5.30 p.m., on 18th August, 2014. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. 18th July, 2014, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-Voting website www.evotingindia.com during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID[@]:
 - (a) For CDSL: 16 digits beneficiary ID;
 - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

[@] Your User ID is also provided under the e-Voting details in the Attendance Slip.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN *	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB #	Enter the Date of Birth as recorded in your Demat Account or in the Company records for the said Demat Account or Folio in dd/mm/yyyy format.

Dividend Bank Details #	Enter the Dividend Bank Details as recorded in your Demat Account or in the Company records for the said Demat Account or Folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the Depository or Company please enter the Member ID / Folio number in the Dividend Bank details field.
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Note:

- * Members who have not updated the PAN details with the Company / Depository Participant are requested to use the "Sequence Number" provided under the e-Voting details in the Attendance Slip, in the PAN details field. (Wherever Members have updated the PAN details, the same has also been provided, for the ready reference of the Members).
 - # Members who have not updated their DOB or Dividend Bank Details with the Company / Depository Participant are requested to use the User ID, as provided under the e-Voting details in the Attendance Slip, in the Dividend Bank details field.
- (ix) After entering these details appropriately, click on "SUBMIT" tab.
 - (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (xi) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
 - (xii) Click on the EVSN of **TTK Healthcare Limited** on which you choose to vote.
 - (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
 - (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xix) Note for Non-Individual Shareholders and Custodians:
 - Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

Notice to Shareholders (Contd.)

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user using the admin login and password. The compliance user would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxi) **Other Information:**

- The voting rights of members shall be in proportion to their shares in the paid-up Equity Share Capital of the Company as on 18th July, 2014.
- Mr Balu Sridhar, Partner, A K Jain & Associates, Practicing Company Secretaries (Membership No.F5869) has been appointed as Scrutinizer to scrutinize the e-Voting process in a fair and transparent manner.
- The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-Voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against forthwith to the Chairman of the Company.
- Voting is provided to the members through e-Voting and at the Annual General Meeting of the Company. A member can opt for only one mode of voting (i.e) either through e-Voting or at the Annual General Meeting of the Company.
- If a member casts votes by both modes, then voting done through e-Voting shall prevail.
- The results shall be declared not later than two days from the date of Annual General Meeting (AGM) of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ttkhealthcare.com and on the website of CDSL within two days of the conclusion of the AGM and would be communicated to Madras Stock Exchange Limited and BSE Limited, where the shares of the Company are listed.

10. Information required under Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges:

(a) 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 was inducted into the Board of your Company in the year 1984.

He is also on the Board of the following Companies:

- TTK Prestige Ltd.
- TTK Protective Devices Ltd.
- TTK Tantex Ltd.
- TTK Services Pvt. Ltd.
- Cables & Wireless Networks India (P) Ltd.
- Cigna TTK Health Insurance Company 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.

He is the brother of Mr T T Raghunathan, Executive Vice Chairman of the Company.

(b) Mr B N Bhagwat

Mr B N Bhagwat retires by rotation and is proposed to be appointed as Independent Director.

Mr B N Bhagwat held various positions in Government and has vast experience both in Government and Industry. He was earlier on the Board of the erstwhile TTK Biomed Ltd., which merged with your Company.

He was inducted into the Board of your Company in the year 2000.

He does not hold any other Directorship.

He is the Chairman of the Remuneration Committee and a member of the Audit Committee.

He does not hold any shares in the Company.

He is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

(c) Dr (Mrs) Vandana R Walvekar

Dr (Mrs) Vandana R Walvekar is proposed to be appointed as an Independent Director.

Dr (Mrs) Vandana R Walvekar did her MD from Mumbai University securing first rank. She also holds Diplomas in Obstetrics & Gynaecology and also in Family Planning. She is a Fellow of the Indian College of Obstetricians & Gynaecologists. She is a well-known Gynaecologist and has more than four decades of experience, to her credit. She was the former Dean of Nowrosjee Wadia Maternity Hospital, Mumbai and Professor at Seth GS Medical College, Mumbai. She is closely involved in the activities of a number of leading Associations relating to Obstetrics and Gynaecology, as its President / Committee Member.

She has been on the Board of M/s TTK Prestige Ltd, since 1975.

She is also on the Board of the following Companies:

- Adhishri Trading Pvt. Ltd.
- Ardheesh Chemicals Pvt. Ltd.
- Chandramouli Holding Leasing Pvt. Ltd.

She does not hold any shares in the Company.

She is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

Notice to Shareholders (Contd.)

(d) Mr Girish Rao

Mr Girish Rao is proposed to be appointed as an Independent Director.

Mr Girish Rao is a Mechanical Engineer and did his Masters in Marketing Studies from Mumbai University.

He has vast experience in the areas of Product Management, Sales Management, General Management, etc., across Industry Sectors, spanning over nearly three decades.

He worked for many leading Organisations like Batliboi & Co., Blue Star, TTK Prestige, Hutchison Telecom, Nova Medical Centres, Swiss Re Health Insurance, etc.

Currently he is the Chairman and Managing Director of Vidal Healthcare Services Private Limited, a leading Healthcare Management Company and Managing Director of Vidal Healthcare TPA Private Limited, a leading Third Party Administrator providing services to leading private and public sector Insurance Companies.

He has also been a member of the various Panels / Advisory Boards relating to Health Insurance initiatives.

He is also on the Board of the following Companies:

- TTK Protective Devices Ltd.
- TTK Services Pvt. Ltd.
- Vidal Health Best Doctors Pvt. Ltd.

He does not hold any shares in the Company.

He is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

BY ORDER OF THE BOARD

Place : Chennai
Date : 16th July, 2014

S KALYANARAMAN
Company Secretary

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

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

Item No.5

Mr J Srinivasan has been on the Board of the Company since 2005.

He retires by rotation at this Annual General Meeting and is eligible for re-appointment.

He has expressed his desire not to seek re-appointment.

The Directors place on record their deep appreciation for the contributions of Mr Srinivasan during his tenure as a Director of the Company.

The Board proposes not to fill the vacancy caused by the retirement of Mr Srinivasan.

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

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

Item Nos.6 to 8

The Companies Act, 2013, *inter alia*, prescribed certain specific procedures for selection, appointment and remuneration of Independent Directors, besides their terms of appointment can be for a period upto five consecutive years and are not liable to retire by rotation, during this period.

Mr B N Bhagwat, Director on the Board of the Company who was appointed earlier in terms of the erstwhile applicable provisions of the Companies Act, 1956 and Clause 49 of the Listing Agreement and liable to retire by rotation at this Annual General Meeting, is proposed to be appointed as an Independent Director, for a term of five consecutive years, in compliance with the new provisions of the Companies Act, 2013.

Dr (Mrs) Vandana R Walvekar and Mr Girish Rao, are proposed to be appointed as Independent Directors, for a term of five consecutive years, in compliance with the provisions of the Companies Act, 2013.

In terms of Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, a brief profile of Mr B N Bhagwat, Dr (Mrs) Vandana R Walvekar and Mr Girish Rao, along with the nature of their expertise in specific functional areas, their other Directorships and Committee Memberships, their shareholdings and relationship with other Directors in the Company are appended to the Notice.

The Board of Directors are of the opinion, after evaluation of their expertise and other attributes, that their association would be of immense benefit to the Company and it is desirable to avail their services as Independent Directors for the said term of five consecutive years. They fulfil the terms and conditions specified under the Companies Act, 2013 and the Rules made thereunder for their appointment as Independent Directors by the Members and are independent of the Management.

Notices have been received from the members of the Company under Section 160 of the Companies Act, 2013 along with requisite deposit amount signifying their intention to propose the candidatures of Mr B N Bhagwat, Dr (Mrs) Vandana R Walvekar and Mr Girish Rao and to move the resolutions at Item Nos.6, 7 and 8 of this Notice.

The terms and conditions of appointment of Mr B N Bhagwat, Dr (Mrs) Vandana R Walvekar and Mr Girish Rao, as Independent Directors would be available for inspection without any fee by the members at the Registered Office of the Company, during normal business hours on any working day upto the date of the Annual General Meeting.

They are not liable to retire by rotation.

The Board recommends the Special Resolution at Item No.6 and Ordinary Resolutions at Item Nos.7 and 8, for the approval of the Members.

Except Mr B N Bhagwat, Dr (Mrs) Vandana R Walvekar and Mr Girish Rao being the appointees, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in these resolutions.

Item No.9

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Geeyes & Co., Cost Accountants as

Notice to Shareholders (Contd.)

the Cost Auditors, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015, for the various products of the Company.

In accordance with the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the remuneration of Rs.3,50,000/- (Rupees Three lakhs fifty thousand only) plus service tax as applicable and reimbursement of travel and out-of-pocket expenses, payable to the said Cost Auditors, for the financial year ending 31st March, 2015, as recommended by the Audit Committee and approved by the Board of Directors of the Company, has to be ratified by the Shareholders of the Company.

The Board recommends the Ordinary Resolution at Item No.9 for approval by the Members.

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

Item No.10

At the Thirty Third Annual General Meeting held on 30th November, 1991, the members, by means of an Ordinary Resolution, accorded their consent, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company, for mortgaging and/or charging by the Board of the Directors of the Company all or any of the movable or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan obtained or debentures issued or other lines of credit availed / to be availed, from time to time, from any financial institution(s), bank(s), mutual fund(s) or other parties together with interests, costs, charges, expenses and any other money payable by the Company.

As per the clarification issued by the Ministry of Corporate Affairs (MCA), the consent accorded earlier by the members under Section 293 of the Companies Act, 1956 would be valid only upto 11th September, 2014.

In view of the above, it is necessary to obtain the fresh consent of the members under Section 180(1)(a) of the Companies Act, 2013.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, consent of the members is sought by means of a Special Resolution, for mortgaging and/or charging by the Board of the Directors of the Company all or any of the movable or immovable properties, both present and future, or the whole or substantially the whole of the undertaking or undertakings of the Company for securing any loan obtained or debentures issued or other lines of credit availed / to be availed, from time to time, from any financial institution(s), bank(s), mutual fund(s) or other parties together with interests, costs, charges, expenses and any other money payable by the Company.

The Board recommends the Special Resolution at Item No.10 for approval by the Members.

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

Item No.11

At the Forty Second Annual General Meeting held on 21st September, 2000, the members, by means of an Ordinary Resolution, accorded their consent, in terms of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company, to borrow upto Rs.25 crores over and above the Paid-up Share Capital and Free Reserves

(apart from the loans obtained from the Company's Bankers in the ordinary course of business).

As per the clarification issued by the Ministry of Corporate Affairs (MCA), the consent accorded earlier by the members under Section 293 of the Companies Act, 1956 would be valid only upto 11th September, 2014.

In view of the above and considering the long term requirements of additional funds for business expansion, it is necessary to obtain the fresh consent of the members under Section 180(1)(c) of the Companies Act, 2013.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, consent of the members is sought by means of a Special Resolution, to borrow upto Rs.100 crores over and above the Paid-up Share Capital and Free Reserves (apart from the loans obtained from the Company's Bankers in the ordinary course of business).

The Board recommends the Special Resolution at Item No.11 for approval by the Members.

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

Item No.12

At the Fifty First Annual General Meeting held on 27th August, 2009, the members, by means of an Ordinary Resolution, accorded their consent, in terms of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company, to contribute and/or to subscribe to charitable and other funds, not directly relating to the business of the Company or the welfare of its employees in any financial year, any amounts the aggregate of which will not exceed 10% of the profits of the Company or Rs.75 lakhs, whichever is greater.

Pursuant to the provisions of Section 181 of the Companies Act, 2013, fresh permission of the members is sought by means of an Ordinary Resolution, to contribute to bonafide charitable and other funds, in any financial year, any amounts the aggregate of which shall not exceed 10% of its average net profits for the three immediately preceding financial years or Rs.2 crores, whichever is greater.

The Board recommends the Ordinary Resolution at Item No.12 for approval by the Members.

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

BY ORDER OF THE BOARD

Place : Chennai
Date : 16th July, 2014

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 Fifty Sixth Annual Report together with the Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

	(Rs. in lakhs)	
	2013-14	2012-13
Profit before Depreciation & Tax	2,283.99	2,434.14
Less : Depreciation	317.43	271.97
Profit before Tax	1,966.56	2,162.17
Less : Provision for Tax		
Current Tax	698.00	710.00
Deferred Tax	29.69	31.82
Profit after Tax	1,238.87	1,420.35
Surplus Account:		
Balance as per last Balance Sheet	4,637.48	3,725.57
Add: Profit for the year	1,238.87	1,420.35
Total	5,876.35	5,145.92
Less: Proposed Dividend	310.64	310.64
Provision for tax on Dividend	52.79	52.79
Amount transferred to General Reserve	130.00	145.00
Net Surplus	5,382.92	4,637.49

DIVIDEND

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

IMPLEMENTATION OF STRATEGIC GROWTH PLAN

Your Company has engaged the services of M/s Bain & Co., a well known international firm of consultants for developing a Strategic Growth Plan for your Company to be implemented over the next 3 years. The recommendations provided by them have been duly approved by the Board of Directors of your Company and necessary financial and other resources have been committed for realizing the objectives set under the plan. The implementation of the plan had commenced during the later part of the year under review.

REVIEW OF PERFORMANCE

During the year under review, Revenue from Operations amounted to Rs.416.18 crores as against the previous year's figure of Rs.382.30 crores, a growth of about 9%.

The lower growth was partly on account of discontinuation of the distribution arrangement for Kohinoor / Durex brand of Condoms. However, the newly launched Skore brand of Condoms have contributed well to the turnover in the first full year of its launch, thus lessening the impact. The other businesses have reported satisfactory performance. A detailed review is presented under the Section "Segmentwise Performance".

MANAGEMENT DISCUSSION AND ANALYSIS

(A) ECONOMIC AND BUSINESS ENVIRONMENT:

The macro economic environment continued to pose challenges in the Fiscal Year 2013-14 against the backdrop of continued economic slow down in the domestic economy, high inflation and weak global economic environment. The real GDP growth rate was estimated at around 4.9%, a further drop from the previous fiscal.

The Indian Pharma Market (IPM) currently valued at around Rs.74,000 crores (MAT Dec'13) experienced a slow down this year with its growth dropping down to 6.0% from 14.3% in 2012. The Indian Pharmaceutical Industry is witnessing regulatory challenges like – (i) the new pharmaceutical pricing policy; (ii) a uniform code for sales and marketing practices; (iii) compulsory licensing; (iv) uncertainties over the FDI policy; and (v) delays in clinical trial approvals.

Chronic segment contributed to 29% of IPM with a growth of 10.5%. Acute segment continues to dominate the IPM with 71% with a growth of 4.2%. Growth is mainly driven by Cardiac, Anti-Diabetes and Neuro Segments [Source – Pharma Trac].

(B) OPPORTUNITIES AND THREATS:

Opportunities:

- Economic growth, rising incidence of chronic diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment. Therefore, there is opportunity for your Company to grow the Pharma Business further.
- 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 Medical Devices, the market continues to be dominated by imported medical devices / implants. Since your Company manufactures world class products and are priced competitively, this segment provides opportunity for growth. 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.
- The recently announced Drugs Price Control may have an adverse impact on the sales / margins of Pharmaceutical Companies.

(C) SEGMENTWISE PERFORMANCE:

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

Directors' Report (Contd.)

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

EPD and Ventura Division reported a sales turnover of around Rs.115 crores. Though the performance during the First-Half of the year was not upto expectations, there has been significant improvement during the Second-Half resulting in Pharma Business reporting a moderate growth for the year under review.

Your Company has also commenced the implementation of the various recommendations made by M/s Bain & Co., as part of the growth strategy, in the later part of the year.

As part of the strategy, your Company has taken several initiatives such as – (i) enhanced focus on Gynaecologists / Infertility Specialists; (ii) more robust new product introductions; (iii) more intense training and development initiatives for improving the productivity of the sales force; (iv) increased compensation packages / allowances for retaining the talents; etc. These initiatives have also been duly backed by requisite investments.

As a result of these initiatives, your Company's flagship brands have shown a positive trend. Infertility Segment too reported good performance and all the new product introductions have had a very encouraging start.

All these initiatives would be continued during the current year also so as to significantly grow the Pharma Business.

Animal Welfare Division (AWD)

During the year under review, the Animal Welfare Division reported good growth in line with market growth, with a sales turnover of around Rs.30 crores.

Though adverse poultry environment hampered progress in the First-Half of the financial year, the enhanced focus consequent to business trifurcation as Bovianim (Cattle), Gallus (Poultry) and Companim (Companion Animals) has really propelled growth in the Second-Half.

Flagship brands continue to perform well and the new products in the Companion Animal space have also been received well by the practitioners.

With a clear objective of business consolidation and building a business of scale, AWD would initiate necessary steps aimed at intensification of species-focused campaigns, geographical expansion, manpower expansion coupled with operational distinctiveness to be attained through customer focused approach.

Consumer Products Business:

The Division reported a sales turnover of around Rs.204 crores. The overall performance of Consumer Products Division (CPD) has been satisfactory despite the sluggish business environment witnessed during the year.

Woodward's Gripe Water continued to grow in non-south markets, as intended strategically.

Deodorants as a category had a sluggish year. The high category growths of previous years plateaued to modest levels. While the new users into the category have dropped despite low penetration levels, the competitive activities had reached a new high especially with the newer brands upping the ante significantly. Despite a very challenging year, EVA managed to maintain its leadership position in Women's Deo category. The talc and lip balm ranges were relaunched with newer and better packaging. The newly launched EVA-Exotic range fared well in the market.

Good Home, the home care range, performed as expected and continued on a growth path. The packaging of scrubbers has been upgraded and the brand entered a new category through the launch of Vegetable and Fruit Wash.

Skore Condoms had a very strong first year and achieved 8% market share in a very competitive segment. The new Price Control Regulations (DPCO), however, pose a strong challenge to the Condom Industry as a whole.

The test marketing exercise undertaken by the Company for retail promotion of Ready-to-fry Pappads under the brand name "Fryums" in Andhra Pradesh was not successful and consequently, it has been decided not to pursue this any further.

CPD has also commenced the implementation of the various recommendations made by M/s Bain & Co., as part of the growth strategy, in the later part of the year.

Medical Devices Business:

Heart Valve Division

Heart Valve Division reported a sales turnover of around Rs.13 crores. Despite lower off-take from the Government-sponsored Welfare Programmes and also intense competition from imported brands through price cuts, etc., the Heart Valve Division has reported a marginal growth in volume during the year under review. Efforts are being made to increase the volumes, to the best extent possible.

Efforts have been put in to hasten controlled human clinical trials of the Coated Vascular Grafts and the Improved Heart Valves. The regulatory approval for the import of Bio-Prosthetic Valves is expected shortly.

Preliminary work on the development of Affordable Cardiac Support System is expected to be taken up shortly.

Ortho Division

Ortho Division reported a sales turnover of around Rs.5 crores. During the year under review, the domestic business grew satisfactorily and the export volumes were lower.

There has been increase in the number of surgeons using the Knee Implants in the domestic market. Your Company has also commenced Fellowship / Training Programmes for young surgeons under the guidance of senior surgeons in the usage of knee implants.

Efforts are also being made to develop the export market in the countries permitted by the Collaborators. Exports have commenced recently to Italy and the initial response from Italian surgeons is encouraging.

Directors' Report (Contd.)

Developmental work with reference to Cemented Titanium Implants, Porous Coated Knee Implants, etc., is in progress.

Publications Business:

The operations of the Publications Division have been almost wound up. In order to retain the IP / Know-how relating to map-based products, orders are being executed on a back-to-back basis without much investment in receivables / inventories.

Foods Business:

Foods Division achieved a sales turnover of around Rs.47 crores. During the year under review, the performance of the Foods Division has been good. Despite the entry of new players in the Pappad Segment, there has been growth both in turnover and profitability.

During the last year, your Company has embarked upon various projects for growing the Foods Business including the setting up of a new manufacturing facility at Jaipur. Though there was some delay initially, the work is now in full swing and the project would be completed by the end of Third Quarter and the production would commence during the Fourth Quarter of the current year. The new plant, in addition to enhancing the production capacity, would also have the capabilities to produce differentiated and value added products.

Your Company has also invested in its Hosakote facility for capacity enhancement, automation of raw material handling and installation of a Briquette-based boiler to further increase the capacity and to reduce the operating costs.

Your Company is also planning to set up a Pilot Plant for R&D activities at Hosakote for developing new and innovative products.

Your Hosakote facility has been awarded HACCP-based Food Safety Management System / ISO 22000 Certification.

Your Company is also in the process of setting up a sales and distribution network for handling the enhanced production output.

In view of the above developments and initiatives, the outlook for the Company as a whole for 2014-15 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)

	2013-14	2012-13
Revenue from Operations (Gross)	41,630.69	38,229.84
Less : Excise Duty relating to Sales	12.73	—
Revenue from Operations (Net)	41,617.96	38,229.84
Other Income	612.35	673.85
Total Income	42,230.31	38,903.69
Cost of Materials Consumed	19,445.64	18,959.18
Employee Benefits Expense	6,065.51	5,295.04
Other Expenses	14,136.38	11,960.95

Profit before Finance Cost and

Depreciation	2,582.78	2,688.52
Finance Costs	298.79	254.38
Depreciation	317.43	271.97
Profit before Tax	1,966.56	2,162.17
Less: Provision for Tax:		
Current Tax	698.00	710.00
Deferred Tax	29.69	31.82
Profit after Tax	1,238.87	1,420.35

ANALYSIS OF PERFORMANCE:

- Revenue from Operations registered a growth of about 9%. The lower growth was partly on account of discontinuation of the distribution arrangement for Kohinoor / Durex brand of Condoms. However, the contribution from the newly launched Skore brand of Condoms to turnover has lessened the impact.
- The profit was lower due to (i) non-recurring expenses (Consultancy Fees, Test Marketing Exercise relating to Fryums-Retail and Discontinued Product Lines) amounting to Rs.4.85 crores (Previous Year - Rs.3.59 crores); and (ii) the higher promotional and other expenses incurred in line with the recommendations made by M/s Bain & Co., during the year under review.
- During the year under review, the Other Income stood at Rs.612.35 lakhs as against the previous year's figure of Rs.673.86 lakhs. The previous year's figure was higher due to Profit on sale of Secured Redeemable Non-Convertible Debentures (Rs.97.62 lakhs).
- Cost of Materials Consumed as a percentage of Revenue from Operations for the year works out to 46.72% as against the previous year's figure of 49.59%. The reduction is due to higher proportion of Own Branded Goods vis-à-vis Traded Goods in the product mix.
- The employee benefits expense was higher due to regular annual increments / revision in packages.
- The increase in Power and Fuel expenses was on account of higher production at Foods Division.
- The increase in Advertisement & Sales Promotion expenses is on account of enhanced advertisements / higher sales promotional expenses incurred on various product categories and incentives to field staff and is also due to the additional promotional expenses incurred in accordance with the recommendations of M/s Bain & Co., as part of the growth strategy.
- The addition to Fixed Assets mainly represents the - (i) cost of Leasehold land acquired at Jaipur for the Foods Project (Rs.712.47 lakhs); (ii) capital expenditure incurred for the capacity enhancement, purchase of Briquette Boiler and factory renovation projects undertaken at Hosakote factory of Foods Division (Rs.372.94 lakhs); (iii) expenses incurred for the purchase of plant and machinery (Rs.22.00 lakhs) and the procurement of moulds (Rs.36.55 lakhs) for Ortho Division; (iv) expenses incurred for the procurement of moulds relating to CPD (Rs.66.09 lakhs); and (v) purchase of vehicles (Rs.69.84 lakhs).
- The reduction in Investments (Rs.63.44 lakhs) was due to the sale of Kotak Select Focus Fund (Kotak Mutual Fund) at a consideration of Rs.76.70 lakhs.

Directors' Report (Contd.)

- The increase in Inventories is in line with the enhanced level of operations in the Second-Half of the year under review and the plan for the current year.
- The increase in Trade Receivables is in line with the growth in sales and there was no major overdue outstandings.
- The increase in Loans and Advances mainly represents capital advances relating to import of plant and machinery from M/s Fen s.r.l., Italy (Rs.10.80 crores) and the advances made to the various Contractors for the Foods Project at Jaipur (Rs.3.96 crores).
- The increase in Trade Payables is 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 internally. Significant audit observations are also placed before the Meeting of the Audit Committee and corrective measures taken.

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

(G) INFORMATION TECHNOLOGY:

Oracle ERP was successfully upgraded from version 11i to R12 during the year. Your Company has commenced the implementation of the Oracle Process Manufacturing at the Foods Division and the same would be completed during the Second Quarter of the current year.

(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 part of the Bain initiatives, the scope, content and duration of the Foundation Training Programme for new Medical Representatives have been significantly improved, in addition to introduction of Refresher Programmes. Management Development Programmes have also been conducted for the Field Managers of the Pharma Division.

As on 31st March, 2014, the employee strength was 1708. (Previous Year – 1757).

(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.

SCHEME OF AMALGAMATION

The Board of Directors in their meeting held on 30th April, 2013 approved the Scheme of Amalgamation of TTK Protective Devices Limited (TTKPD) (formerly known as TTK-LIG Limited) and its Wholly Owned Subsidiary TSL

Techno Services Limited (TSL) with your Company, the appointed date being 1st April, 2012.

Under the Scheme, the Shareholders of TTKPD would be entitled for 9 Equity Shares of Rs.10/- each fully paid-up of your Company for every 2 Equity Shares of Rs.10/- each fully paid-up held by them in TTKPD. No shares would be allotted to the Shareholders of TSL as its value having been considered as part of the valuation of TTKPD.

Your Company obtained necessary No Objection from the Stock Exchanges and also the approval of the Shareholders for the Scheme of Amalgamation.

Your Company has filed necessary petition with the Hon'ble High Court of Judicature at Madras for obtaining their sanction for the said Scheme of Amalgamation and the same is awaited. Necessary entries will be made in the books of account upon sanction of the Scheme.

FINANCE

During the year under review, your Company was sanctioned a Term Loan of Rs.20 crores by the Common Wealth Bank of Australia which would be secured by creating a charge on the assets of the Company. This loan would be utilized to part finance the capital expenditure relating to the Foods Project at Jaipur. The reduction in Working Capital Borrowings from banks is on account of the temporary parking of the funds drawn from the Common Wealth Bank of Australia under the above Term Loan in the Cash Credit Account, pending utilization for the capital expenditure for the Foods Project at Jaipur.

FIXED DEPOSITS

As on 31st March, 2014, 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, Director of the Company, retires by rotation and being eligible, offer himself for re-appointment.

Mr J Srinivasan, Director of the Company, retires by rotation and does not seek re-appointment.

Mr B N Bhagwat, Director of the Company, who retires by rotation and is eligible for re-appointment, is proposed to be appointed as an Independent Director, for a term of five consecutive years, in accordance with the provisions of Companies Act, 2013.

Dr (Mrs) Vandana R Walvekar and Mr Girish Rao are proposed to be appointed as Independent Directors, for a term of five consecutive years, in accordance with the provisions of Companies Act, 2013.

AUDITORS

M/s Aiyar & Co. and M/s S Viswanathan, Chartered Accountants, retire at the ensuing Annual General Meeting and are proposed to be appointed as Statutory Auditors of the Company, for a period of three consecutive years, subject to ratification at every Annual General Meeting, as per Section 139(2) of the Companies Act, 2013 and the Rules made thereunder.

Directors' Report (Contd.)

The Company has also obtained necessary certificate from the Auditors conveying their consent and eligibility for the above appointment. The Audit Committee and the Board reviewed their eligibility criteria, as laid down under the provisions of Section 141 of the Companies Act, 2013 and recommend their appointment as Statutory Auditors for the aforesaid period.

COST AUDITOR

M/s Geeyes & Co., Cost Accountants, have been appointed as Cost Auditor under Section 233B of the Companies Act, 1956 for the audit of the cost records relating to Pharmaceutical Formulations, Food Products, Medical Devices viz. Heart Valves and Ortho Implants manufactured by your Company, for the year 2013-14. The Cost Audit Report for the year ended 31st March, 2013 was filed on the due date (i.e.) 27th September, 2013. The Cost Audit Report for the year ended 31st March, 2014 would be filed on or before the due date (i.e.) 27th September, 2014.

LISTING

Your Company's shares are listed with –

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

The Listing Fees have been paid for the financial year 2014-15.

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 for the financial year ended 31st March, 2014, 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 : 16th July, 2014

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 31st March, 2014:

A. Conservation of Energy

Majority of the Company's operations are not power-intensive except the Foods Manufacturing Operations. Further, the Company outsources most of its products from Third Party Manufacturers. Nevertheless, steps are initiated to achieve possible improvements with reference to energy conservation.

Form A		
	2013-14	2012-13
A. Power and Fuel Consumption		
1. Electricity:		
(a) Purchased		
Units	43,55,541	38,39,014
Total Amount (Rs.)	2,66,51,851	2,26,22,313
Rate per Unit (Rs.)	6.12	5.89
(b) Own Generation		
Units	2,33,407	2,66,618
Unit per litre of Diesel Oil	3.00	2.96
Cost per Unit (Rs.)	18.79	15.35
2. Furnace Oil / Light Diesel Oil:		
Quantity (litres)	4,92,314	4,10,900
Total Amount (Rs.)	2,90,89,703	2,06,60,472
Average rate per litre (Rs.)	59.09	50.28
3. Others:		
Biomass Briquette		
Quantity (M.T.)	16.603	-
Total Amount (Rs.)	94,552	-
Rate per M.T. (Rs.)	5,694.87	-

B. Consumption Per Unit of Production (Relating to Foods Manufacturing Operations)			
Particulars	Standards (if any)	2013-14	2012-13
Total Production (kgs.)	-	71,46,647	59,65,245
Electricity (Rs. per kg. of production)	-	3.46	3.63
Furnace Oil (Rs. per kg. of production)	-	3.87	3.28

Your Company has recently installed a Briquette-based Boiler at its Foods Division for reducing the fuel cost.

B. Technology Absorption :

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

(a) Pharma Division:

Development of-

- Formulation containing L-Arginine, L-Carnitine, etc., used for ensuring safe progression of pregnancy;
- Calcium and Vitamin Supplement containing Calcium Carbonate, Vitamin D₃, etc.;
- Formulation containing Tranexamic Acid, Mefenamic Acid, etc, for treating excessive menstrual bleeding;
- Supplement containing L-Arginine, Safed Musli, etc., for treating erectile dysfunction;
- Formulation containing Dehydroepiandrosterone, Folic Acid, etc., for treating infertility; and
- Shampoo containing Aloe Vera, Provitamin B₅, etc., for Pets.

(b) Heart Valve Division:

- Development of necessary production processes for Coated Vascular Grafts and Improved Heart Valves.

(c) Ortho Division:

Development of -

- Drag Finishing Machine / Technology for buffing of Ortho Implants;
- Revision Knee Tibial Wedges, Femoral Wedges, All Poly Tibial Platform, Hinged Knee and Offset Stems;
- Porous Coating of Titanium and Cobalt Chromium Implants;
- Fixed Bearing Knee Implants; and
- TiN Coating of Titanium Implants.

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

(a) Pharma Division:

The Company has launched the following products:

- **LRzin Beta Granules** (For safe progression of Pregnancy)
- **Ossopan HD Tablets** (Calcium and Vitamin Supplement)
- **Tamik BC Tablets** (For treating excessive menstrual bleeding)
- **EvaServe Tablets** (For treating infertility)
- **VTwo Granules** (For treating Erectile Dysfunction)
- **Hug N Wag Shampoo** (For Pets)

(b) Heart Valve Division:

Preliminary studies indicate cost effective production of the Coated Vascular Grafts and Improved Heart Valves.

(c) Ortho Division:

The various products under development would be commercialized after necessary trials and regulatory clearances.

(iii) Future Plan of Action:

(a) Pharma Division:

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

Development of-

- Formulation for Obesity management; and
- Dehydroepiandrosterone based Gel for female reproductive health.

(b) Heart Valve Division:

Clinical Trials of both the Coated Vascular Grafts and the Improved Heart Valve would be taken up and after successful completion, commercial production would be initiated.

(c) Ortho Division:

- Development of Hip Implants.
- Indigenous development of Porous Coating in association with Academic Institutions.

(iv) Expenditure on R&D:

		2013 - 14 Rs.	2012 - 13 Rs.
(a)	Capital	4,17,188	1,96,062
(b)	Recurring	58,08,954	57,04,853
(c)	Total	62,26,142	59,00,915
(d)	% of R&D expenses to sales	0.15%	0.15%

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 31st March, 2014

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

Inputs from the Overseas Collaborators have been continuously availed for development of new products and also for improving the overall manufacturing operations at the Ortho Division.

(3) Benefits derived from the above efforts:

Based on the inputs received from the overseas collaborators, the technology with reference to TiN / Porous Coating of Ortho Implants is being developed / adopted by your Company.

(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, Orthopaedic Implants, 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.

	2013 – 14 Rs.	2012 – 13 Rs.
Foreign Exchange Earnings		
Exports	3,29,05,002	4,72,27,891
Total	3,29,05,002	4,72,27,891
Foreign Exchange Outgo		
• Imports		
- Raw Materials	4,74,85,972	3,72,96,046
- Capital Goods	1,05,34,061	99,88,733
- Spares	2,94,569	45,146
• Royalty, Consultancy, Product Registration/ Promotion Expenses, Travelling, etc.	48,86,583	39,59,654
Total	6,32,01,185	5,12,89,579

For and on behalf of the Board

Place : Chennai
Date : 16th July, 2014

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 31st March, 2014.

Name	Designation	Gross Remuneration (Rs.)	Experience (Years)	Age (Years)	Qualifications	Date of Employment	Previous Employment
Mr T T Raghunathan	Executive Vice Chairman	1,03,50,340	42	62	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 : 16th July, 2014

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.

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

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

BOARD OF DIRECTORS:

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 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 five times during the financial year ended 31st March, 2014, on the following dates:

- 30th April, 2013
- 23rd October, 2013
- 27th May, 2013
- 5th February, 2014
- 25th July, 2013

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 / details, 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 (25.07.13)	Other Directorships	Committee Memberships	Committee Chairmanships
Mr T T Jagannathan	4	Yes	4	-	-
Mr T T Raghunathan	5	Yes	4	-	-
Mr R K Tulshan	5	Yes	2	-	-
Dr K R Srimurthy	5	Yes	-	-	-
Mr B N Bhagwat	3	Yes	-	-	-
Mr J Srinivasan	5	Yes	2	2	-
Mr R Srinivasan	3	No	8	5	2
Mr K Vaidyanathan	5	Yes	1	-	2
Mr K Shankaran	5	Yes	1	1	-

Other Directorships do not include Private Companies.

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 and Mr B N Bhagwat, Dr K R Srimurthy and Mr K Shankaran as Members of the Committee. Mr S Kalyanaraman, Company Secretary is the Secretary of the Audit Committee.

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;
- Approval of appointment of CFO [(i.e.) the whole-time Finance Director or any other person heading the finance function or discharging that function] after assessing the qualifications, experience and background, etc., of the candidate; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- 30th April, 2013
- 23rd October, 2013
- 27th May, 2013
- 5th February, 2014
- 24th July, 2013

All the above meetings were attended by all the Members of the Committee, except Mr Bhagwat, who did not attend the meetings held on 30th April, 2013 and 27th May, 2013.

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 24th July, 2013 and 5th February, 2014 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.

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

Nature of Complaints	2013-14
Non-receipt of Dividends	4
Non-receipt of Shares sent for transfer/transmission	-
Non-receipt of Annual Report	1
Others	-
Total	5

All the complaints were resolved satisfactorily and there has been no pending complaint as on 31st March, 2014.

DIRECTORS' REMUNERATION:

The details of remuneration paid to the Wholtime Directors for the year 2013-14 are as follows:

Name & Designation	Salary Rs.	HRA & Other Allowances Rs.	Contribution to PF & Other Funds Rs.	Commission Rs.	Total Rs.	Tenure of Appointment
Mr T T Raghunathan Executive Vice Chairman	24,00,000	57,30,921	6,88,080	15,31,339	1,03,50,340	5 years with effect from 1st November, 2011.
Mr K Vaidyanathan Executive Director	23,40,000	18,42,067	-	-	41,82,067	2 years with effect from 1st July, 2013.

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 2013-14. 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 was inducted into the Board of your Company in the year 1984.

He is also on the Board of the following Companies:

- TTK Prestige Ltd.
- TTK Protective Devices Ltd.
- TTK Tantex Ltd.
- TTK Services Pvt. Ltd.
- Cables & Wireless Networks India (P) Ltd.
- Cigna TTK Health Insurance Company 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.

He is the brother of Mr T T Raghunathan, Executive Vice Chairman of the Company.

(2) **Mr B N Bhagwat**

Mr B N Bhagwat retires by rotation and is proposed to be appointed as Independent Director.

Mr B N Bhagwat held various positions in Government and has vast experience both in Government and Industry. He was earlier on the Board of the erstwhile TTK Biomed Ltd., which merged with your Company.

He was inducted into the Board of your Company in the year 2000.

He does not hold any other Directorship.

He is the Chairman of the Remuneration Committee and a member of the Audit Committee.

He does not hold any shares in the Company.

He is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

(3) **Dr (Mrs) Vandana R Walvekar**

Dr (Mrs) Vandana R Walvekar is proposed to be appointed as an Independent Director.

Dr (Mrs) Vandana R Walvekar did her MD from Mumbai University securing first rank. She also holds Diplomas in Obstetrics & Gynaecology and also in Family Planning. She is a Fellow of the Indian College of Obstetricians & Gynaecologists. She is a well-known Gynaecologist and has more than four decades of experience, to her credit. She was the former Dean of Nowrosjee Wadia Maternity Hospital, Mumbai and Professor at Seth GS Medical College, Mumbai. She is closely involved in the activities of a number of leading Associations relating to Obstetrics and Gynaecology, as its President / Committee Member.

She has been on the Board of M/s TTK Prestige Ltd, since 1975.

She is also on the Board of the following Companies:

- Adhishri Trading Pvt. Ltd.
- Ardheesh Chemicals Pvt. Ltd.
- Chandramouli Holding Leasing Pvt. Ltd.

She does not hold any shares in the Company.

She is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

(4) **Mr Girish Rao**

Mr Girish Rao is proposed to be appointed as an Independent Director.

Mr Girish Rao is a Mechanical Engineer and did his Masters in Marketing Studies from Mumbai University.

He has vast experience in the areas of Product Management, Sales Management, General Management, etc., across Industry Sectors, spanning over nearly three decades.

He worked for many leading Organisations like Batliboi & Co., Blue Star, TTK Prestige, Hutchison Telecom, Nova Medical Centres, Swiss Re Health Insurance, etc.

Currently he is the Chairman and Managing Director of Vidal Healthcare Services Private Limited, a leading Healthcare Management Company and Managing Director of Vidal Healthcare TPA Private Limited, a leading Third Party Administrator providing services to leading private and public sector Insurance Companies.

He has also been a member of the various Panels / Advisory Boards relating to Health Insurance initiatives.

He is also on the Board of the following Companies:

- TTK Protective Devices Ltd.
- TTK Services Pvt. Ltd.
- Vidal Health Best Doctors Pvt. Ltd.

He does not hold any shares in the Company.

He is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. The said Code of Conduct has also been posted on the website of the Company www.ttkhealthcare.com.

A report on the compliance aspect of the Code of Conduct given by the Executive Vice Chairman has been given at Page No. 22 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
2011	27 th July, 2011	11.00 a.m.	Narada Gana Sabha (Mini Hall) No.314,(Old No.254), TTK Road, Alwarpet, Chennai 600 018	-
2012	13 th August, 2012	11.00 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306), TTK Road, Chennai 600 014	1
2013	25 th July, 2013	11.00 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306), TTK Road, Chennai 600 014	1

Report on Corporate Governance (Contd.)

POSTAL BALLOT:

Your Company conducted a Postal Ballot process including e-Voting for obtaining the approval of the Shareholders for the proposed Scheme of Amalgamation between (i) TTK Protective Devices Limited (TTKPD) [Formerly known as TTK-LIG Limited]; and (ii) TSL Techno Services Limited (TSL) [the Wholly Owned Subsidiary of TTKPD] [Transferor Companies] and (iii) TTK Healthcare Limited (TTKHC) [Transferee Company].

SCHEME OF AMALGAMATION

The Board of Directors in their meeting held on 30th April, 2013 approved the Scheme of Amalgamation of TTK Protective Devices Limited (TTKPD) (formerly known as TTK-LIG Limited) and its Wholly Owned Subsidiary TSL Techno Services Limited (TSL) with the Company, the appointed date being 1st April, 2012.

Under the Scheme, the Shareholders of TTKPD would be entitled for 9 Equity Shares of Rs.10/- each fully paid-up of the Company for every 2 Equity Shares of Rs.10/- each fully paid-up held by them in TTKPD. No shares would be allotted to the Shareholders of TSL as its value having been considered as part of the valuation of TTKPD.

The Company obtained necessary No Objection from the Stock Exchanges and also the approval of the Shareholders for the Scheme of Amalgamation.

Necessary petition has been filed with the Hon'ble High Court of Judicature at Madras for obtaining their sanction for the said Scheme of Amalgamation and the same is awaited.

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 Audit Committee / 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.46 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 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 notified under Companies (Accounting Standards) Rules, 2006 were followed in the preparation of financial statements.

• Code of Conduct for prevention of Insider Trading

Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended, the

Company has adopted a Code of Conduct for prevention of Insider Trading, with effect from 28th July, 2010, modified from time to time. This Code of Conduct is applicable to all Directors and such designated employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

• 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.22 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 www.ttkhealthcare.com.
- Management Discussion & Analysis Report forms part of this Annual Report.
- An Analyst Meet was held on 25th September, 2013 at Mumbai and the presentation made thereat is available at <http://www.ttkhealthcare.com/corporate/financial.htm>.

GENERAL SHAREHOLDERS INFORMATION:

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

Date - 22nd August, 2014
 Day - Friday
 Time - 10.15 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 th August
Unaudited Second Quarter Results	By 14 th November
Unaudited Third Quarter Results	By 14 th February
Audited Annual Results	By 30 th May

c) Date of Book Closure - 19th August, 2014 to 22nd August, 2014 (Both Days Inclusive)

d) Dividend Payment Date - 11th September, 2014

e) Listing on Stock Exchanges:

Your Company's shares are listed with –

Report on Corporate Governance (Contd.)

Madras Stock Exchange Limited (MSE), Chennai (Regional Stock Exchange)

BSE Limited (BSE), Mumbai

f) Stock Code :

MSE - TTKHEALTH

BSE - 507747

g) Demat Arrangement with NSDL and CDSL

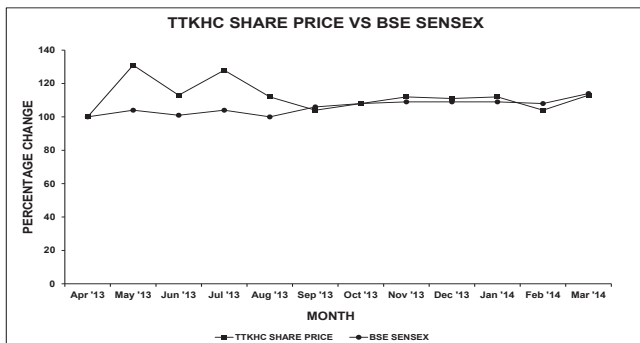
Demat ISIN - INE910C01018

h) Stock Price Data:

Month	BSE (2013-14)			BSE (2012-13)		
	High	Low	Volume	High	Low	Volume
	Rs.	Rs.	No. of Shares	Rs.	Rs.	No. of Shares
April	504.75	399.00	3,46,743	459.70	381.05	1,48,750
May	663.40	485.35	10,55,723	393.50	330.35	61,861
June	568.60	480.30	2,12,299	364.60	334.50	51,309
July	647.00	495.00	3,33,119	423.00	341.50	4,17,408
August	564.00	414.70	1,05,820	403.25	340.00	2,10,408
September	525.00	451.00	66,083	416.60	341.00	1,99,068
October	547.55	493.55	1,05,965	470.00	387.30	10,72,318
November	567.00	440.00	1,15,207	461.50	395.00	4,71,074
December	561.90	460.00	1,29,782	598.00	436.20	19,28,661
January	564.00	491.05	60,591	578.75	504.30	3,79,491
February	523.90	450.00	74,853	524.50	417.35	86,313
March	569.90	471.10	58,257	493.80	380.05	1,45,903

i) Stock Performance Vs BSE Sensex:

Month	TTK Share Price (in Rs.) (High)	% to Base	BSE Sensex (High)	% to Base
April 2013	504.75	100	19,622.68	100
May 2013	663.40	131	20,443.62	104
June 2013	568.60	113	19,860.19	101
July 2013	647.00	128	20,351.06	104
August 2013	564.00	112	19,569.20	100
September 2013	525.00	104	20,739.69	106
October 2013	547.55	108	21,205.44	108
November 2013	567.00	112	21,321.53	109
December 2013	561.90	111	21,483.74	109
January 2014	564.00	112	21,409.66	109
February 2014	523.90	104	21,140.51	108
March 2014	569.90	113	22,467.21	114



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 : (91) (44) 28213738
(91) (44) 28214487
Fax: (91) (44) 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 15 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 31st March, 2014, no Equity Shares were pending for transfer.

l) Distribution of Shareholding as on 31st March, 2014:

Shareholding of Nominal Value of -	Number of Shareholders		% to 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	6,051	6,866	45.55	51.68	40,76,770	50,83,500	5.25	6.55
5001 - 10,000	21	160	0.16	1.20	1,47,910	12,19,680	0.19	1.57
10,001 - 20,000	14	69	0.11	0.52	1,83,440	9,72,930	0.24	1.25
20,001 - 30,000	4	26	0.03	0.20	96,000	6,73,390	0.12	0.87
30,001 - 40,000	1	12	0.01	0.09	33,600	4,33,610	0.04	0.56
40,001 - 50,000	1	13	0.01	0.10	43,000	6,25,500	0.06	0.81
50,001 - 1,00,000	2	14	0.02	0.11	1,91,000	10,84,360	0.25	1.40
1,00,001 & above	1	30	0.01	0.23	2,50,000	6,25,45,140	0.32	80.54
Total	6,095	7,190	45.88	54.12	50,21,720	7,26,38,110	6.47	93.53
Grand Total	13,285	100			7,76,59,830		100	

m) Categories of Equity Shareholders as on 31st March, 2014:

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	% to Total No. of Shares
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian			
(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
	Sub-Total (A)(1)	12	50,81,000	65.43
(2)	Foreign			
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-
(b)	Bodies Corporate	-	-	-
(c)	Institutions	-	-	-

Report on Corporate Governance (Contd.)

(d)	Qualified Foreign Investor	—	—	—
(e)	Any Other (Specify)	—	—	—
	Sub-Total (A)(2)	—	—	—
	Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	12	50,81,000	65.43
(B)	Public Shareholding			
(1)	Institutions			
(a)	Mutual Funds / UTI	8	1,90,406	2.45
(b)	Financial Institutions / Banks	7	9,935	0.13
(c)	Central Government / State Government(s)	—	—	—
(d)	Venture Capital Funds	—	—	—
(e)	Insurance Companies	—	—	—
(f)	Foreign Institutional Investors	7	4,15,149	5.35
(g)	Foreign Venture Capital Investors	—	—	—
(h)	Qualified Foreign Investor	—	—	—
(i)	Any Other (Specify)	—	—	—
	Sub-Total (B)(1)	22	6,15,490	7.93
(2)	Non-Institutions			
(a)	Bodies Corporate	362	1,09,840	1.41
(b)	Individuals -			
(i)	Individual Shareholders holding nominal share capital upto Rs.1 lakh	12,767	12,87,420	16.58
(ii)	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	15	6,36,407	8.19
(c)	Qualified Foreign Investor	—	—	—
(d)	Any other -			
(i)	Non-Resident Indians	102	35,359	0.46
(ii)	Independent / Professional Directors who are not in control of the Company	5	467	0.01
	Sub-Total (B)(2)	13,251	20,69,493	26.65
	Total Public Shareholding (B) = (B)(1) + (B)(2)	13,273	26,84,983	34.57
	GRAND TOTAL (A) + (B)	13,285	77,65,983	100.00

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 TTK Prestige Limited, TTK Tantex Limited and Relatives of the Partners of M/s T T Krishnamachari & Co.

n) Dematerialization of Shares and Liquidity as on 31st March, 2014:

	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	6,095	5,02,172	6.47
No. of Shareholders in Electronic Mode	7,190	72,63,811	93.53
Total	13,285	77,65,983	100.00

Days taken for Dematerialization	No. of Requests	No. of Shares	% of Shares
15 days	171	27,493	0.35

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2013-14	2012-13	2013-14	2012-13
Number of Shares Dematerialized	10,852	14,581	16,641	9,606
Number of Shares Rematerialized	-	25	-	-

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 8th 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, Trivandrum 695 586 Kerala
 - No.290, SIDCO Industrial Estate Ambattur, Chennai 600 098 Tamil Nadu
 - No.3, Thiruneermalai Main Road Chromepet, Chennai 600 044 Tamil Nadu
- Publications Division:**
Plot No.13, 1st Avenue, Mahindra World City Natham Sub Post, Chengelpet Taluk Kancheepuram 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 Ltd.
- TTK Protective Devices Ltd. (Formerly known as TTK-LIG Ltd.)
- TTK Services (P) Ltd.
- TTK Tantex Ltd.
- Cables & Wireless Networks India (P) Ltd.
- Cigna TTK Health Insurance Company Ltd.
- TTK Property Services Private Ltd.
- TTK Partners LLP
- Packwell Packaging Products Ltd.
- 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 Senior 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 31st March, 2014.

Report on Corporate Governance (Contd.)

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 & 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.

During the year under review, the Committee met once on 27th May,

2013 to consider and recommend to the Board (i) the re-appointment of Mr K Vaidyanathan as Executive Director of the Company for a period of two years with effect from 1st July, 2013 and fixation of the remuneration payable to him; and (ii) the revision in the remuneration package of Mr T T Lakshman, General Manager – Projects (Foods Division), who is the son of Mr T T Jagannathan, with effect from 1st April, 2013.

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 www.ttkhealthcare.com

d) Audit Qualifications:

There were no audit qualifications in the Financial Statements of the Company for the year ended 31st March, 2014.

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(I)(D) 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 : 23rd May, 2014

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 31st March, 2014 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 31st March, 2014, 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

N SRIDHARAN
Proprietor
Membership No.20503

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

C N SRINIVASAN
Partner
Membership No.18205

Place : Chennai
Date : 16th July, 2014

Independent Auditors' Report

TO THE MEMBERS OF TTK HEALTHCARE LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of TTK Healthcare Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe, that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

- b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

The Board of Directors at their meeting held on 30th April, 2013 approved the Scheme of Amalgamation of TTK Protective Devices Limited (TTKPD) (formerly TTK-LIG Limited) and its Wholly Owned Subsidiary TSL Techno Services Limited (TSL) with TTK Healthcare Limited, the appointed date being 1st April, 2012. Under the Scheme, the Shareholders of TTKPD would be allotted 9 Equity shares of Rs.10/- each fully paid-up of the Company for every 2 Equity Shares of Rs.10/- each fully paid-up held by them in TTKPD. No shares would be allotted to the Shareholders of TSL as its value having been considered as part of the valuation of TTKPD.

The said Scheme has been duly approved by the shareholders and the Company has filed necessary petition before the Hon'ble High Court of Judicature, Madras, for obtaining its sanction.

The Scheme would be effective after the sanction of the same by the Hon'ble High Court of Judicature at Madras.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Subsection (3C) of section 211 of the Companies Act, 1956; and
 - e) on the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

N SRIDHARAN
Proprietor
Membership No.20503

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

C N SRINIVASAN
Partner
Membership No.18205

Place : Chennai
Date : 27th May, 2014

Independent Auditors' Report (Contd.)

Annexure to Independent Auditors' Report (Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory requirements" of our Report of even date to the Members of TTK Healthcare Limited on the Financial Statements for the year ended 31st March, 2014)

- (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 Section 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 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) The Company has not accepted any deposits from the public. Therefore, the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (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, 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, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2014 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 31st March, 2014:

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
Income-Tax Act 1961	Income Tax	195.00	AY 2005-06 AY 2008-09 AY 2011-12	The Commissioner of Income-Tax (Appeals), Chennai
Finance Act	Service Tax	2.64	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	The Hon'ble High Court, Chennai
Central Sales Tax Act and Local Sales Tax Acts	Sales Tax with Interest and Penalty, as applicable	178.81	1986-87, 1991-92, 1995-96, 1997-98 to 2010-11	Before various Authorities - Upto the Commissioner's Level
The Central Excise Act, 1944	Excise Duty with Interest and Penalty, as applicable	116.75	1988-89 to 2007-08	The Customs, Excise and Service Tax Appellate Tribunal, Chennai.
		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.

Independent Auditors' Report (Contd.)

- | | |
|--|---|
| <p>(x) The Company does not have any accumulated losses as at 31st March, 2014 and has not incurred cash losses during the financial year covered by our Audit and the immediately preceding financial year.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(xv) According to the information and explanations given to us, the Company</p> | <p>has not given guarantees for loans taken by others from banks or financial institutions.</p> <p>(xvi) According to the information and explanations given to us, the Company has availed during the year a Term Loan Rs.17 crores from the Common Wealth Bank of Australia and it was employed for the purpose for which the loan was obtained.</p> <p>(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.</p> <p>(xviii) According to the information and explanations given to us, the Company has no outstanding debentures at the end of the year.</p> <p>(xix) During the period covered by our Audit Report, the Company has not raised money by public issues.</p> <p>(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.</p> <p>(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.</p> |
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M/s. AIYAR & CO.,
Chartered Accountants
Regn.No.000063S

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

Place : Chennai
Date : 27th May, 2014

N SRIDHARAN
Proprietor
Membership No.20503

C N SRINIVASAN
Partner
Membership No.18205

Balance Sheetas at 31st March, 2014

	Particulars	Note No.	As at the end of 31-03-2014		As at the end of 31-03-2013	
			Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES						
(1) Shareholders' Funds						
(a) Share Capital	1		7,76,59,830		7,76,59,830	
(b) Reserves and Surplus	2		99,16,04,152		90,45,62,689	
(c) Money received against share warrants			—	106,92,63,982	—	98,22,22,519
(2) Share application money pending allotment				—		—
(3) Non-current Liabilities						
(a) Long-term borrowings	3		15,86,60,339		57,75,970	
(b) Deferred tax liabilities (Net)	4		2,94,64,410		2,64,94,843	
(c) Other Long-term liabilities	5		8,41,81,069		8,02,90,463	
(d) Long-term provisions	6		—	27,23,05,818	—	11,25,61,276
(4) Current Liabilities						
(a) Short-term borrowings	7		13,24,01,130		21,55,40,184	
(b) Trade payables	8		29,94,54,585		28,56,31,420	
(c) Other current liabilities	9		58,95,26,982		46,10,52,937	
(d) Short-term provisions	10		3,64,48,233	105,78,30,930	3,64,48,233	99,86,72,774
TOTAL				239,94,00,730		209,34,56,569
II. ASSETS						
(1) Non-Current Assets						
(a) Fixed Assets						
(i) Tangible Assets	11		53,35,62,354		43,07,59,068	
(ii) Intangible Assets	12		31,30,577		36,21,627	
(iii) Capital Work-in-progress			1,96,57,442		30,89,317	
(iv) Intangible assets under development			—		—	
(b) Non-current investments	13		—		—	
(c) Deferred tax assets (net)			—		—	
(d) Long-term loans and advances	14		21,43,16,703		11,23,21,277	
(e) Other non-current assets	15		—	77,06,67,076	—	54,97,91,289
(2) Current Assets						
(a) Current Investments	16		13,37,000		76,81,000	
(b) Inventories	17		33,95,09,540		27,09,66,372	
(c) Trade Receivables	18		38,29,90,984		35,10,48,655	
(d) Cash and Bank Balances	19		84,05,86,453		83,76,37,914	
(e) Short-term loans and advances	20		6,43,09,677		7,63,31,339	
(f) Other current assets	21		—	162,87,33,654	—	154,36,65,280
TOTAL				239,94,00,730		209,34,56,569
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 : 27th May, 2014

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

Profit and Loss Statement

for the year ended 31st March, 2014

	Particulars	Note No.	For the year ended 31-03-2014		For the year ended 31-03-2013	
			Rs.	Rs.	Rs.	Rs.
I.	Revenue from Operations (Gross)	22		416,30,68,690		382,29,83,625
	Less: Excise Duty			12,72,669		—
	Revenue from Operations (Net)			416,17,96,021		382,29,83,625
II.	Other Income	23		6,12,35,302		6,73,85,750
III.	Total Revenue (I + II)			422,30,31,323		389,03,69,375
IV.	Expenses:					
	Cost of materials consumed			25,57,58,122		20,30,77,539
	Purchases of Stock-in-trade			174,50,71,631		163,83,94,141
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade			(5,62,65,629)		5,44,46,772
				194,45,64,124		189,59,18,452
	Employee benefits expense	24		60,65,50,892		52,95,03,863
	Finance costs	25		2,98,79,042		2,54,37,727
	Depreciation and amortization expense	26		3,17,42,921		2,71,96,971
	Other expenses	27		141,36,37,890		119,60,95,545
	Total expenses			402,63,74,869		367,41,52,558
V.	Profit before exceptional and extraordinary items and tax (III-IV)			19,66,56,454		21,62,16,817
VI.	Exceptional items			—		—
VII.	Profit before extraordinary items and tax (V - VI)			19,66,56,454		21,62,16,817
VIII.	Extraordinary Items			—		—
IX.	Profit before tax (VII - VIII)			19,66,56,454		21,62,16,817
X.	Tax expense:					
	(1) Current tax		6,98,00,000		7,10,00,000	
	(2) Deferred tax		29,69,567	7,27,69,567	31,82,396	7,41,82,396
XI.	Profit / (Loss) for the period from continuing operations (IX-X)			12,38,86,887		14,20,34,421
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)			12,38,86,887		14,20,34,421
XVI.	Earnings per Equity Share of Rs.10/- each:					
	(1) Basic			15.95		18.29
	(2) Diluted			15.95		18.29
	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 : 27th May, 2014

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
J Srinivasan, Director
K Shankaran, Director
S Kalyanaraman, Company Secretary
B V K Durga Prasad, Senior Vice President - Finance

Cash Flow Statement**for the year ended 31st March, 2014**

	Particulars	2013-14		2012-13	
		Rs.	Rs.	Rs.	Rs.
A.	CASH FLOW FROM OPERATING ACTIVITIES:				
	Net Profit Before Tax		19,66,56,454		21,62,16,817
	Adjustments for:				
	Depreciation	3,17,42,921		2,71,96,971	
	(Profit)/Loss on Sale of Assets	28,25,416		28,98,495	
	(Profit)/Loss on Sale of Investments	(13,25,747)		(97,62,000)	
	Interest Paid	2,86,19,049		2,43,42,278	
	Dividend Received	(2,64,500)	6,15,97,139	(2,26,000)	4,44,49,744
	Operating Profit before Working Capital Changes		25,82,53,593		26,06,66,561
	Adjustments for:				
	Trade and Other Receivables	(15,26,53,763)		(1,32,93,198)	
	Inventories	(6,85,43,168)		5,58,80,871	
	Trade Payables	12,86,16,630	(9,25,80,301)	2,02,88,453	6,28,76,126
	Cash generated from operations		16,56,73,292		32,35,42,687
	Direct Taxes Paid		(3,90,62,330)		(8,00,66,029)
	Cash Flow before Extraordinary Items & Deferred Revenue Expenditure		12,66,10,962		24,34,76,658
	Extraordinary Items		—		—
	Net Cash from Operating Activities		12,66,10,962		24,34,76,658
B.	CASH FLOW FROM INVESTMENT ACTIVITIES:				
	Purchase of Fixed Assets	(15,44,36,601)		(7,65,50,747)	
	Sale of Fixed Assets	4,85,726		13,38,469	
	Dividend Received	2,64,500		2,26,000	
	Sale of Investments	76,69,747	(14,60,16,628)	6,97,62,000	(52,24,278)
C.	CASH FLOW FROM FINANCING ACTIVITIES:				
	Bank Borrowings	8,68,60,946		4,00,89,024	
	Interest Paid	(2,86,19,049)		(2,43,42,278)	
	Dividend Paid	(3,63,43,247)		(3,61,03,279)	
	Net Cash used in Financing Activities		2,18,98,650		(2,03,56,533)
	Net Increase in Cash and Cash Equivalents		24,92,984		21,78,95,847
	Cash and Cash Equivalents as at the beginning of the year	83,34,93,510		61,55,97,663	
	Cash and Cash Equivalents as at the end of the year	83,59,86,494	(24,92,984)	83,34,93,510	(21,78,95,847)

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 (AS-3) notified under Companies (Accounting Standards) Rules, 2006.
- 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 : 27th May, 2014

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

Notes to Balance Sheet

as at 31st March, 2014

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Shareholders' Funds:		
Note No.1		
A. Share Capital		
Equity Shares		
(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) Issued Share Capital: 77,65,983 Equity Shares of Rs.10/- each (previous period 77,65,983 Equity Shares of Rs.10/- each) Subscribed and Fully paid-up Share Capital: 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
Total	7,76,59,830	7,76,59,830
(c) par value per share:	Rs. 10/-	Rs. 10/-
(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 (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	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 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%) (ii) M/s T T Krishnamachari & Co. represented by its Partners (53.36%)	7,30,048 41,44,085	7,30,048 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: No. of Equity Shares bought back by the Company	— — 3,21,514	— — 3,44,431
(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)	—	—

Notes to Balance Sheet (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	Rs.		Rs.	
Note No.2				
B. Reserves and Surplus				
Reserves and Surplus:				
(a) Capital Reserves				
Balance as per last Balance Sheet	6,81,32,507		6,81,32,507	
Addition during the year	<u>—</u>	6,81,32,507	<u>—</u>	6,81,32,507
(b) Capital Redemption Reserve				
Balance as per last Balance Sheet	34,44,310		34,44,310	
Addition during the year	<u>—</u>	34,44,310	<u>—</u>	34,44,310
(c) Securities Premium Reserve				
Balance as per last Balance Sheet	9,82,49,128		9,82,49,128	
Addition / Deduction during the year	<u>—</u>	9,82,49,128	<u>—</u>	9,82,49,128
(d) Debenture Redemption Reserve		—		—
(e) Revaluation Reserve				
Balance as per last Balance Sheet	4,56,49,457		4,61,51,644	
Deduction during the year - Transfer to Profit & Loss Statement	<u>5,02,177</u>	4,51,47,280	<u>5,02,187</u>	4,56,49,457
(f) Share Options Outstanding Account		—		—
(g) Other Reserves :-				
General Reserve				
Balance as per last Balance Sheet	22,53,39,018		21,08,39,018	
Addition during the year: Transfer from Surplus	<u>1,30,00,000</u>	23,83,39,018	<u>1,45,00,000</u>	22,53,39,018
(h) Surplus:				
Balance as per last Balance Sheet	46,37,48,269		37,25,57,095	
Balance in Statement of Profit & Loss (current year)	12,38,86,887		14,20,34,421	
Total (A)	<u>58,76,35,156</u>		<u>51,45,91,516</u>	
Less: Proposed Dividend	3,10,63,932		3,10,63,932	
Provision for Tax on Dividend	52,79,315		52,79,315	
Transfer to General Reserve	<u>1,30,00,000</u>		<u>1,45,00,000</u>	
Total (B)	<u>4,93,43,247</u>		<u>5,08,43,247</u>	
Net Surplus (A-B)		53,82,91,909		46,37,48,269
Total		<u>99,16,04,152</u>		<u>90,45,62,689</u>

Notes to Balance Sheet (Contd.)

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Non-current Liabilities:		
Note No.3		
A. Long-term Borrowings		
(i) Secured Long-term borrowings:		
(a) Bonds/Debentures	—	—
(b) Term loans:		
• from banks (To be secured by creation of charge on the assets of the Company)	15,00,00,000	—
• 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 / equipments)	86,60,339	57,75,970
(g) Other loans and advances	—	—
(ii) Unsecured Long-term borrowings:	—	—
Total	15,86,60,339	57,75,970
Note No.4		
B. Deferred tax liabilities (net)		
(a) Deferred tax liability	4,01,02,440	3,50,38,004
(b) Less: Deferred tax asset	1,06,38,030	85,43,161
Total	2,94,64,410	2,64,94,843
Note No.5		
C. Other Long-term liabilities		
(a) Trade payables	—	—
(b) Others	8,41,81,069	8,02,90,463
Total	8,41,81,069	8,02,90,463
Note No.6		
D. Long-term provisions		
(a) Provision for employee benefits	—	—
(b) Others	—	—
Total	—	—
Current Liabilities:		
Note No.7		
A. Short-term borrowings		
(i) Secured Short-term borrowings:		
(a) Loans repayable on demand		
• from banks	13,24,01,130	21,55,40,184
(Hypothecation of stocks and book debts)		
• from other parties	—	—
(b) Loans and advances from related parties	—	—
(c) Deposits	—	—
(d) Other loans and advances	—	—
	13,24,01,130	21,55,40,184
(ii) Unsecured Short-term borrowings:		
(a) Loans repayable on demand		
• from banks	—	—
• from other parties	—	—
(b) Loans and advances from related parties	—	—
(c) Deposits	—	—
(d) Other loans and advances	—	—
Total	13,24,01,130	21,55,40,184

Notes to Balance Sheet (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	Rs.		Rs.	
Note No.8				
B. Trade Payables		29,94,54,585		28,56,31,420
(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.)				
Note No.9				
C. Other current liabilities				
(a) Current maturities of long-term debt (To be secured by creation of charge on the assets of the Company)		2,00,00,000		—
(b) Current maturities of finance lease obligations (secured by ownership of the vehicles / equipments)		39,52,944		26,99,055
(c) Interest accrued but not due on borrowings		—		—
(d) Interest accrued and due on borrowings		—		—
(e) Income received in advance		—		—
(f) Unpaid dividends		45,99,959		41,44,404
(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	9,76,69,071		8,95,67,941	
ii. Interest	62,70,495		58,44,462	
iii. Taxes, Duties & Levies	2,04,36,210		1,76,57,537	
iv. Expenses payable relating to operations	41,23,20,622		32,17,68,340	
v. PF & ESIC Contributions	82,39,144		65,27,081	
vi. TDS & TCS	60,05,284		59,37,920	
vii. Creditors for Capital Goods	84,89,033		55,43,383	
viii. Audit and other Fees	14,84,220		13,02,814	
ix. Security deposits	60,000		60,000	
Total		56,09,74,079		45,42,09,478
		58,95,26,982		46,10,52,937
Note No.10				
D. Short-term provisions				
(a) Provision for employee benefits		—		—
(b) Others :				
Provision for Dividend (Rs.4/- per share of Rs.10/- each)	3,10,63,932		3,10,63,932	
Provision for Dividend Tax	53,84,301		53,84,301	
Total		3,64,48,233		3,64,48,233
		3,64,48,233		3,64,48,233

Notes to Balance Sheet (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	Rs.		Rs.	
Non-current Assets:				
A. Fixed Assets				
Note No.11				
Tangible Assets				
(i) Freehold Assets:				
(a) Land	5,51,07,766		5,51,07,766	
(b) Buildings	9,15,42,602		8,35,91,915	
(c) Plant and Equipment	25,01,71,114		22,90,05,689	
(d) Furniture and Fixtures	84,77,270		83,62,081	
(e) Vehicles	48,97,531		41,78,259	
(f) Office Equipments	41,60,269		36,65,400	
(g) Others:				
Computers	1,58,12,346	43,01,68,898	1,68,26,687	40,07,37,797
(ii) Assets under lease:				
(a) Leasehold Land	8,83,55,000		1,80,02,606	
(b) Leasehold Building	33,91,585		43,62,331	
(c) Leasehold Plant and Equipment	18,38,183		—	
(d) Vehicles	98,08,688	10,33,93,456	76,56,334	3,00,21,271
Total		53,35,62,354		43,07,59,068
(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			
Note No. 12				
Intangible Assets				
(i) (a) Goodwill		—		—
(b) Brands / Trademarks		—		—
(c) Computer Softwares		31,30,577		36,21,627
(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		—		—
Total		31,30,577		36,21,627
(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 Balance Sheet (Contd.)

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Note No.13		
B. Non-current investments		
(i) Trade Investments	-	-
(ii) Non-Trade Investments	-	-
(iii) Investments carried at other than at cost	-	-
Total	<u>-</u>	<u>-</u>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate book value of unquoted investments	-	-
C. Deferred tax assets (net)	-	-
Note No. 14		
D. Long-term loans and advances		
(i) Secured Long-term loans and advances	-	-
(ii) Unsecured Long-term loans and advances, considered good		
(a) Capital Advances	16,61,32,506	3,39,06,005
(b) Security Deposits	42,79,487	42,22,142
(c) Loans and advances to related parties	-	-
(d) Other loans and advances: Lease Deposit		
with related parties	25,50,000	25,50,000
with others	36,77,868	32,28,618
(e) Advance Income-tax and Fringe Benefit Tax (net of provisions)	3,76,76,842	6,84,14,512
(iii) Doubtful Long-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.	-	-
Total	<u>21,43,16,703</u>	<u>11,23,21,277</u>
Note No.15		
E. Other non-current assets		
(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	-	-
Total	<u>-</u>	<u>-</u>

Notes to Balance Sheet (Contd.)

	As at 31.03.2014 Rs.	As at 31.03.2013 Rs.
Current Assets:		
Note No.16		
A. Current Investments		
(i) Trade Investments	—	—
(ii) Non-Trade Investments		
(a) Investments in Equity Instruments:		
Quoted (Fully paid)		
1) 14,800 Equity Shares of Rs.10/- each of TTK Prestige Ltd. (a Group Company)	13,32,000	13,32,000
- Market Value Rs.3,031.70 each		
2) 1,000 Equity Shares of Rs.5/- each of Apollo Hospitals Enterprise Ltd.	5,000	5,000
- Market Value Rs.915.90 each		
(b) Investments in Preference Shares	—	—
(c) Investments in Government or Trust Securities	—	—
(d) Investments in Debentures or Bonds	—	—
(e) Investments in Mutual Funds		
Unquoted (Fully paid)		
Kotak Select Focus Fund (Kotak Mutual Fund)	—	63,44,000
(f) Investments in Partnership Firms	—	—
(g) Other non-current investments	—	—
Total	13,37,000	76,81,000
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	4,57,85,060	4,87,02,720
Aggregate book value of unquoted investments	—	63,44,000

Notes to Balance Sheet (Contd.)

	As at 31.03.2014	As at 31.03.2013
	Rs.	Rs.
Note No. 17		
B. Inventories		
(a) Raw Materials [#]	3,20,32,819	2,16,62,460
(b) Work-in-progress	1,80,05,988	1,80,60,966
(c) Finished goods* (comprise of own manufactured & outsourced goods)	26,20,72,727	19,70,01,742
(d) Stock-in-trade (in respect of goods acquired for trading)	2,27,92,275	3,15,42,654
(e) Stores and spares	46,05,731	26,98,550
(f) Loose tools	—	—
(g) Others	—	—
Total	33,95,09,540	27,09,66,372
[#] Include Packing Materials		
[*] Include Goods-in-Transit - Rs.1,53,23,224		
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 realizable value		
Work-in-progress is valued at works cost		
Note No.18		
C. Trade Receivables		
(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	24,59,776	84,28,221
(c) Doubtful	—	—
(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	38,05,31,208	34,26,20,434
(c) Doubtful	—	—
(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.	—	—
Total	38,29,90,984	35,10,48,655
Note No. 19		
D. Cash and Banks Balances		
(a) Cash and cash equivalents		
(i) Cash on hand	47,45,099	47,12,242
(ii) Balance with banks:		
Balance in Current Account	12,73,99,927	10,83,92,117
In Deposit Account held as margin money	6,35,047	11,98,455
In Deposit Account held as security against guarantees	15,25,000	65,25,000
Deposit Account with more than 12 months maturity	—	—
Deposit Account with 12 months and less than 12 months maturity	70,16,81,421	82,87,81,268
	83,12,41,395	71,26,65,696
	83,59,86,494	83,34,93,510
(b) Other Bank Balance		
In Interest Warrant Account	—	—
In Dividend Warrant Account	45,99,959	41,44,404
(c) Cheques, drafts on hand	—	—
(d) Others	—	—
Total	84,05,86,453	83,76,37,914

Notes to Balance Sheet (Contd.)

	As at 31.03.2014		As at 31.03.2013	
	Rs.		Rs.	
Note No.20				
E. Short-term Loans and Advances				
(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	7,75,750		6,84,000	
ii. Deposit with Govt. Departments	75,25,231		78,74,017	
iii. Earnest Money Deposits	22,27,213		20,86,801	
iv. Advances others	5,37,81,483	6,43,09,677	6,56,86,521	7,63,31,339
(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.		-		-
Total		<u>6,43,09,677</u>		<u>7,63,31,339</u>
Note No. 21				
F. Other current assets				
		-		-

Notes to Balance Sheet (Contd.)

Annexure 1 - A

FIXED ASSET DETAILS

Description of Assets	Gross Block (At Cost)				Accumulated Depreciation, Amortisation & Impairment				Net Block	
	As on 01-04-2013	Additions	Deletions	As on 31-03-2014	Up to 31-03-2013	Deletions	For the Year	Up to 31-03-2014	As on 31-03-2014	As on 31-03-2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(A) TANGIBLE ASSETS										
1. Freehold Assets:										
(a) Land	5,51,07,766	—	—	5,51,07,766	—	—	—	—	5,51,07,766	5,51,07,766
(b) Buildings	12,22,17,092	1,18,50,422	—	13,40,67,514	3,86,25,177	—	38,99,735	4,25,24,912	9,15,42,602	8,35,91,915
(c) Plant & Machinery	27,20,91,918	2,41,25,521	7,58,965	29,54,58,474	8,34,58,243	1,76,627	1,06,56,881	9,39,38,497	20,15,19,977	18,86,33,675
Electrical Installation	2,30,37,653	39,50,641	—	2,69,88,294	74,13,650	—	10,56,488	84,70,138	1,85,18,156	1,56,24,003
Fire Fighting Equipments	4,95,354	12,458	—	5,07,812	2,67,958	—	18,755	2,86,713	2,21,099	2,27,396
Air-conditioners	1,23,72,786	5,80,860	35,855	1,29,17,791	52,18,538	17,463	5,12,067	57,13,142	72,04,649	71,54,248
Lift	7,99,636	—	—	7,99,636	4,39,196	—	33,488	4,72,684	3,26,952	3,60,440
Patterns, Dies & Templates	2,90,19,225	1,08,00,678	75,30,874	3,22,89,029	1,59,12,595	48,87,987	30,39,539	1,40,64,147	1,82,24,882	1,31,06,630
Lab Equipments	87,80,482	5,04,605	—	92,85,087	48,81,185	—	2,48,503	51,29,688	41,55,399	38,99,297
Sub-Total	34,65,97,054	3,99,74,763	83,25,694	37,82,46,123	11,75,91,365	50,82,077	1,55,65,721	12,80,75,009	25,01,71,114	22,90,05,689
(d) Furniture & Fittings	1,80,79,452	9,25,781	—	1,90,05,233	97,17,371	—	8,10,592	1,05,27,963	84,77,270	83,62,081
(e) Vehicles	88,08,065	16,03,486	—	1,04,11,551	46,29,807	—	8,84,213	55,14,020	48,97,531	41,78,258
Bicycles	8,521	—	8,521	—	8,520	8,520	—	—	—	1
Sub-Total	88,16,586	16,03,486	8,521	1,04,11,551	46,38,327	8,520	8,84,213	55,14,020	48,97,531	41,78,259
(f) Office Equipments	79,05,527	7,81,679	—	86,87,206	42,40,127	—	2,86,810	45,26,937	41,60,269	36,65,400
(g) Computers	5,84,01,728	31,77,191	10,33,011	6,05,45,908	4,15,75,041	9,65,487	41,24,008	4,47,33,562	1,58,12,346	1,68,26,687
Total	61,71,25,205	5,83,13,322	93,67,226	66,60,71,301	21,63,87,408	60,56,084	2,55,71,079	23,59,02,403	43,01,68,898	40,07,37,797
2. Leased Assets :										
(a) Land	1,93,38,513	7,12,47,069	—	9,05,85,582	13,35,907	—	8,94,675	22,30,582	8,83,55,000	1,80,02,606
(b) Buildings	1,67,37,697	—	—	1,67,37,697	1,23,75,366	—	9,70,746	1,33,46,112	33,91,585	43,62,331
(c) Plant & Machinery	—	21,99,750	—	21,99,750	—	—	3,61,567	3,61,567	18,38,183	—
(d) Vehicles	1,86,66,663	53,81,068	16,88,716	2,23,59,015	1,10,10,329	16,88,716	32,28,714	1,25,50,327	98,08,688	76,56,334
Total	5,47,42,873	7,88,27,887	16,88,716	13,18,82,044	2,47,21,602	16,88,716	54,55,702	2,84,88,588	10,33,93,456	3,00,21,271
Grand Total	67,18,68,078	13,71,41,209	1,10,55,942	79,79,53,345	24,11,09,010	77,44,800	3,10,26,781	26,43,90,991	53,35,62,354	43,07,59,068
Previous year	55,47,74,285	13,23,86,360	1,52,92,567	67,18,68,078	22,56,92,668	1,10,55,603	2,64,71,945	24,11,09,010	43,07,59,068	32,90,81,617
Capital Work-in-progress	30,89,317	3,08,53,726	1,42,85,601	1,96,57,442	—	—	—	—	1,96,57,442	30,89,317
Previous year	5,93,57,312	31,75,732	5,94,43,727	30,89,317	—	—	—	—	30,89,317	5,93,57,312

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	1,90,06,352	7,27,267	—	1,97,33,619	1,53,84,725	—	12,18,317	1,66,03,042	31,30,577	36,21,627
(d) Mastheads & Publishing Titles	—	—	—	—	—	—	—	—	—	—
(e) Mining Rights	—	—	—	—	—	—	—	—	—	—
(f) Copyright, Patents, etc.	—	—	—	—	—	—	—	—	—	—
(g) Recipes, Formulae, Designs	—	—	—	—	—	—	—	—	—	—
(h) Licenses and Franchise	—	—	—	—	—	—	—	—	—	—
Total	3,02,56,152	7,27,267	—	3,09,83,419	2,66,34,525	—	12,18,317	2,78,52,842	31,30,577	36,21,627
Previous year	2,98,23,770	4,32,382	—	3,02,56,152	2,54,07,312	—	12,27,213	2,66,34,525	36,21,627	44,16,458
Under development	—	—	—	—	—	—	—	—	—	—
Previous year	—	—	—	—	—	—	—	—	—	—

Note : Depreciation for the year amounting to Rs 5,02,177/- (Previous Year-Rs.5,02,187/-) 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. 3,22,45,098/- for the Year (Previous Year-Rs.2,76,99,158/-).

Notes to Profit and Loss Statement

		2013-14		2012-13		
	Units	Quantity	Value (Rs.)	Quantity	Value (Rs.)	
Note No.22						
Revenue from Operations:						
(a)	Sale of products:					
	Orals	Lakhs	346.690	110,78,81,386	340.366	95,81,47,118
	Tablets	Lakhs	950.549	54,71,03,699	919.264	47,06,08,180
	Injectables	Lakhs	110.501	15,51,61,872	118.454	16,47,27,112
	Capsules	Lakhs	389.102	17,87,72,289	392.274	17,65,74,170
	Food Products	M.T.	6,942.767	47,45,96,962	6,084.873	33,91,04,913
	Granules	M.T.	921.588	24,66,25,273	847.971	19,83,66,589
	Hospital Care Products	—	—	12,99,43,969	—	12,37,10,210
	Footcare Products	—	—	—	—	4,70,04,674
	Orthopaedic Implants	Sets of 3s	1,233	4,91,89,627	1,220	4,73,69,384
	Ointment	M.T.	6.135	90,71,037	6.010	66,85,872
	Cosmetics	M.T.	953.040	28,53,33,785	896.570	23,69,34,978
	Cosmetics	K.Ltrs.	1,052.188	58,63,05,228	1,047.890	54,73,95,215
	Condoms	Millions	73.480	28,18,35,942	89.564	40,20,39,123
	Maps & Atlases	Nos.	1,06,084	41,47,560	3,07,939	1,35,87,856
	Scrub Pads	—	—	8,85,47,007	—	7,45,65,474
	Others	—	—	1,23,81,997	—	1,11,78,173
				415,68,97,633		381,79,99,041
(b)	Sale of services		—			10,59,000
(c)	Other operating revenues		61,71,057			39,25,584
	Total Revenue from operations		416,30,68,690			382,29,83,625
	Less: Excise duty		12,72,669			—
	Total Revenue from Operations (Net)		416,17,96,021			382,29,83,625
Note No.23						
Other Income:						
(a)	Interest Income i) On Fixed Deposits		5,85,88,227		5,63,75,758	
	ii) Others		2,12,178		1,11,979	5,64,87,737
(b)	Dividend Income		2,64,500			2,26,000
(c)	Net gain on sale of investments		13,25,747			97,62,000
(d)	Other non-operating income (net of expenses directly attributable to such income)		6,62,904			1,63,676
(e)	Net foreign exchange gain		1,81,746			7,46,337
	Total		6,12,35,302			6,73,85,750
Note No.24						
Employee benefits expense:						
(a)	Salaries, Wages and Bonus		50,17,37,154			44,10,20,020
(b)	Contribution to Provident and Other Funds		2,97,62,672			2,64,33,034
(c)	Gratuity and Superannuation		3,38,71,827			2,60,69,151
(d)	Contribution to E.S.I.		81,20,708			69,01,762
(e)	Expenses on Employee Stock Option Scheme		—			—
(f)	Expenses on Employee Stock Purchase Plan		—			—
(g)	Welfare Expenses		3,30,58,531			2,90,79,896
	Total		60,65,50,892			52,95,03,863
Note No.25						
Finance costs:						
(a)	Interest expense		2,86,19,049			2,43,42,278
(b)	Other borrowing costs		12,59,993			10,95,449
(c)	Applicable net gain / loss on foreign currency transactions and translation.		—			—
	Total		2,98,79,042			2,54,37,727

Notes to Profit and Loss Statement (Contd.)

		2013-14		2012-13
	Rs.	Rs.	Rs .	Rs .
Note No.26				
Depreciation and amortisation expenses:				
(a) Depreciation	3,22,45,098		2,76,99,158	
Less: Transfer from revaluation reserve	<u>5,02,177</u>	3,17,42,921	<u>5,02,187</u>	2,71,96,971
(b) Amortisation expenses		<u>-</u>		<u>-</u>
Total		3,17,42,921		2,71,96,971
Note No.27				
Other Expenses:				
Power & Fuel		6,02,69,132		4,74,58,950
Repairs & Maintenance:				
• Repairs to Building	15,47,187		12,49,846	
• Repairs to Plant & Machinery	2,70,75,515		2,45,54,010	
• Factory / Office Upkeep	<u>1,33,04,936</u>	4,19,27,638	<u>1,07,47,893</u>	3,65,51,749
Consumable Stores		33,09,159		27,04,843
General Insurance		23,87,534		16,07,205
Rates & Taxes		23,28,419		17,91,013
Rent		2,05,98,198		1,45,99,265
Electricity		99,55,233		97,58,459
Printing & Stationery		1,54,05,146		1,61,74,608
Postage, Telephones & Telegrams		2,40,10,065		2,38,68,294
Carriage Outwards		16,55,00,232		14,10,00,938
Transit Insurance		40,09,231		32,27,271
Advertisement & Sales Promotion		65,63,68,246		55,01,91,335
Travelling & Conveyance		23,43,85,448		19,91,73,354
Audit & Other Fees:				
• Audit Fees	12,20,228		10,11,240	
• Tax Audit Fees	1,12,360		1,12,360	
• Cost Audit Fees	2,47,192		1,12,360	
• Reimbursement of expenses	1,12,262		1,07,678	
• Other matters	<u>49,440</u>	17,41,482	<u>33,708</u>	13,77,346
Donation		36,15,501		40,22,001
Depot Service Charges		8,12,20,105		7,31,87,095
Directors' Sitting Fees		3,20,226		2,46,630
Loss on Sale of Assets		4,35,433		8,50,662
Loss on obsolescence of Assets		26,42,887		21,51,509
Conversion Charges		3,16,762		1,20,890
Bad debts written off		77,72,634		12,57,460
Technical Know-how		2,58,428		7,86,520
Legal and consultancy charges		4,13,97,167		3,51,04,706
Miscellaneous Expenses		3,34,63,584		2,88,83,442
Total		141,36,37,890		119,60,95,545

Notes on Accounts

S. No.	Particulars	UNITS	2013-14		2012-13	
			Quantity	Value (Rs.)	Quantity	Value (Rs.)
(1)	Materials Consumed:					
	a. Industrial Alcohol	K.L.	0.294	49,181	0.012	1,417
	b. Sweetening Agents & Base	M.T.	51.368	26,08,060	42.346	21,98,252
	c. Fats & Oils	M.T.	24.110	18,11,971	17.022	13,15,776
	d. Vitamins & Nutrients	M.T.	—	1,536	—	1,827
	e. Drugs	M.T.	7.718	22,90,712	2.584	2,96,000
	f. Anti Bacterial Preservatives	M.T.	0.899	3,10,631	1.135	3,99,891
	g. Flavouring & Colouring Agents	M.T.	2.602	13,66,982	3.103	15,25,280
	h. Enzymes & Biological Products	M.T.	3.062	5,61,195	3.507	5,86,377
	i. Vegetable & Crude Drugs	M.T.	81.920	56,49,822	87.369	46,15,144
	j. Cereals, Spices & Salts	M.T.	7,259.007	17,24,29,276	6,146.829	12,83,16,319
	k. Other Chemicals	—	—	39,54,656	—	37,50,607
	l. Containers & Closures	1000s	1,141.809	40,32,920	367.287	34,85,761
	m. Non-ferrous castings	Nos	3,217.000	41,92,051	3,607.000	43,36,247
	n. Packing & Other Materials	—	—	5,64,99,129	—	5,22,48,641
	Total			25,57,58,122		20,30,77,539

	Particulars	2013-14 Rs.	2012-13 Rs.
(2)	Work-in-progress:		
	Pharma Products	2,58,474	—
	Heart Valve & Accessories	1,43,19,733	1,69,45,052
	Food Products	3,54,608	1,66,160
	Orthopaedic Implants & Instrument Sets	30,73,173	9,49,754
	Total	1,80,05,988	1,80,60,966

Particulars		2013-14		2012-13	
		%	Rs	%	Rs
(3)	Value of Materials, Spare Parts & Components Consumed during the year:				
	a. Materials :				
	i) Imported	1.86	47,61,582	2.06	41,87,094
	ii) Indigenous	98.14	25,09,96,540	97.94	19,88,90,445
		100.00	25,57,58,122	100.00	20,30,77,539
	b. Spare Parts & Components :				
	i) Imported	0.07	2,267	1.16	31,475
	ii) Indigenous	99.93	33,06,892	98.84	26,73,368
		100.00	33,09,159	100.00	27,04,843
(4)	Value of Imports (CIF Value)				
	i) Raw Materials		4,74,85,972		3,72,96,046
	ii) Finished Goods		—		—
	iii) Capital Goods		1,05,34,061		99,88,733
	iv) Spares		2,94,569		45,146
			5,83,14,602		4,73,29,925
(5)	Earnings in Foreign Exchange				
	Export of Goods (FOB Value)		3,29,05,002		4,72,27,891
(6)	Expenditure in Foreign Currency:				
	i) Travelling		15,60,967		14,62,933
	ii) Royalty, Consultancy, Product Registration / Promotion Expenses etc.		33,25,616		24,96,721
			48,86,583		39,59,654
(7)	Interest comprises of:				
	i) Interest on Fixed Loans		59,96,748		56,60,701
	ii) Interest - Others		2,26,22,301		1,86,81,577
	Note : There is no interest accrued and due as on 31st March, 2014		2,86,19,049		2,43,42,278

Notes on Accounts (Contd.)

(8) Contingent Liabilities And Commitments Not Provided For:

2013-14
(Rs. in Lakhs)2012-13
(Rs. in Lakhs)**A) Contingent Liabilities:**

Guarantees against letters of credit opened	30.25	85.29
Other Guarantees	142.02	199.86
Disputed Taxes/Claims, not acknowledged as debts	1,547.74	1,373.75
	<u>1,720.01</u>	<u>1,658.90</u>

B) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for	1,776.98	1,881.25
--	----------	----------

(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).

(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. During the year under review, LIC brought out a New Superannuation Cash Accumulation Plan - NSCAP (UIN512N274V01) and the Company has commenced enrolling the new joiners under the New Scheme. However, the existing employees would continue to be covered under the old scheme.

(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).

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, recognized as expense for the year are as under:

	2013-14 Rs.	2012-13 Rs.
Employer's Contribution to Provident Fund	2,97,62,672	2,64,33,034
Employer's Contribution to Superannuation Fund	2,04,35,974	1,77,01,801

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 recognizes 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).

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

	Gratuity Funded				
	2013-14 Rs.	2012-13 Rs.	2011-12 Rs.	2010-11 Rs.	2009-10 Rs.
Defined Benefit obligation at the beginning of the year	6,76,46,666	6,01,67,673	5,25,57,405	4,44,41,286	4,05,03,379
Current Service Cost	71,57,174	62,34,526	54,50,637	48,91,649	39,40,445
Interest Cost	54,11,733	48,13,414	42,04,592	35,55,303	32,40,270
Actuarial (gains) and losses on obligation	66,62,303	28,592	38,45,900	34,32,354	20,49,046
Benefits paid	65,35,886	35,97,539	58,90,861	37,63,187	52,91,854
Defined Benefit obligation at the end of the year	8,03,41,990	6,76,46,666	6,01,67,673	5,25,57,405	4,44,41,286

Notes on Accounts (Contd.)

	Leave Encashment Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit obligation at the beginning of the year	1,87,79,066	1,53,10,660	1,26,24,398	90,55,557	70,86,278
Current Service Cost	23,86,285	27,25,980	22,22,504	18,32,565	9,36,340
Interest Cost	13,04,444	11,15,516	8,43,450	6,19,756	5,66,902
Actuarial (gains) and losses on obligation	35,85,166	43,05,995	37,82,847	37,33,734	4,66,037
Benefits paid	57,42,433	46,79,085	41,62,539	26,17,214	—
Defined Benefit obligation at the end of the year	2,03,12,528	1,87,79,066	1,53,10,660	1,26,24,398	90,55,557

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

	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
	Rs.	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets at the beginning of the year	6,65,26,614	5,78,21,861	5,06,51,493	3,98,82,262	2,64,18,490
Expected return on plan assets	59,00,847	55,44,432	48,28,644	41,86,665	28,43,892
Actuarial loss on plan assets	—	—	—	—	—
Contribution by the employer	90,01,542	67,57,860	82,32,585	1,03,45,753	1,59,11,734
Benefits paid	65,35,886	35,97,539	58,90,861	37,63,187	52,91,854
Fair value of plan assets at the end of the year	7,48,93,117	6,65,26,614	5,78,21,861	5,06,51,493	3,98,82,262

Reconciliation of the fair value of assets and obligations:

	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
	Rs.	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets	7,48,93,117	6,65,26,614	5,78,21,861	5,06,51,493	3,98,82,262
Present value of obligation	8,03,41,990	6,76,46,666	6,01,67,673	5,25,57,405	4,44,41,286
Amount recognized in Balance Sheet	54,48,873	11,20,052	23,45,812	19,05,912	45,59,024

Expenses recognized during the year :

Current Service Cost	71,57,174	62,34,526	54,50,637	48,91,649	39,40,445
Interest Cost	54,11,733	48,13,414	42,04,592	35,55,303	32,40,270
Expected return on plan assets	59,00,847	55,44,432	48,28,644	41,86,665	28,43,892
Actuarial loss (gain)	66,62,303	28,592	38,45,900	34,32,354	20,49,046
Net Cost	1,33,30,363	55,32,100	86,72,485	76,92,641	63,85,869

Notes on Accounts (Contd.)

	Leave Encashment Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
	Rs.	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets	—	—	—	—	—
Present value of obligation	—	—	—	—	—
Amount recognized in Balance Sheet	2,03,12,528	1,87,79,066	1,53,10,660	1,26,24,398	90,55,557
Expenses recognized during the year :					
Current Service Cost	23,86,285	27,25,980	22,22,504	18,32,565	9,36,340
Interest Cost	13,04,444	11,15,516	8,43,450	6,19,756	5,66,902
Expected return on plan assets	—	—	—	—	—
Actuarial loss (gain)	35,85,166	43,05,995	37,82,847	37,33,734	4,66,037
Net Cost	72,75,895	81,47,491	68,48,801	61,86,055	19,69,279

Actuarial Assumptions:

	Gratuity Funded				
	2013-14	2012-13	2011-12	2010-11	2009-10
	1994-96	1994-96	1994-96	1994-96	1994-96
	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate (p.a.)	8%	8%	8%	8%	8%
Expected rate of return on plan assets (p.a.)	8%	8%	8%	8%	8%
Rate of Escalation in Salary (p.a.)	5%	5%	5%	5%	5%

	Leave Encashment Unfunded				
	2013-14	2012-13	2011-12	2010-11	2009-10
	1994-96	1994-96	1994-96	1994-96	1994-96
	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate (p.a.)	9.10%	8.20%	8%	8%	8%
Expected rate of return on plan assets (p.a.)	0%	0%	0%	0%	8%
Rate of Escalation in Salary (p.a.)	4%	4%	4%	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". As a result of the adoption of this Standard, the Profit is less by Rs.29.69 Lakhs for the year 2013-14 as detailed below:

	2013-14	2012-13
	(Rs. in Lakhs)	(Rs. in Lakhs)
Deferred Tax Asset:		
Unabsorbed Losses / Tax Credit / Depreciation	—	—
Others	106.38	85.43
Total	106.38	85.43
Deferred Tax Liability:		
Depreciation Difference & Others	401.02	350.38
Net Deferred Tax Asset / (Liability)	(294.64)	(264.95)

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

Notes on Accounts (Contd.)

- (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 fulfill 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 fulfill 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 already filed a Writ Petition in the Hon'ble High Court of Judicature at Madras last year. Upon receipt of the decision from the Hon'ble High Court, the matter will be suitably dealt with.

- (15) During the year, the Company has written off non-recoverable debts to the extent of Rs.77,72,634/- (Previous Year - Rs.12,57,460/-).

- (16) The Board of Directors at their meeting held on 30.04.2013 approved the Scheme of Amalgamation of TTK Protective Devices Ltd. (TTKPD) (formerly TTK-LIG Ltd.) and its Wholly Owned Subsidiary TSL Techno Services Ltd. (TSL) with your Company, the appointed date being 01.04.2012. Under the Scheme, the Shareholders of TTKPD would be allotted 9 Equity shares of Rs.10/- each fully paid-up of the Company for every 2 Equity shares of Rs.10/- each fully paid-up held by them in TTKPD. No shares would be allotted to the Shareholders of TSL as its value having been considered as part of the valuation of TTKPD.

The said Scheme has been duly approved by the shareholders and your Company has filed necessary petition before the Hon'ble High Court of Judicature at Madras for obtaining its sanctioned.

- (17) Your Company has acquired 4.223 acres of Land from M/s Mahindra World City at Jaipur on Leasehold basis for the Foods Project. The consideration amounting to Rs.712.47 Lakhs including Service Tax has been capitalised under the head Leasehold Land in the Accounts. Your Company would register the Lease Deed in due course of time.

- (18) During the year 2010-11, your Company had invested a sum of Rs.63.44 Lakhs in M/s.Kotak Select Focus Fund. The said investment has been sold during the year for Rs.76.70 Lakhs and the profit on sale of the investment amounting to Rs.13.26 Lakhs has been included under Other Income.

- (19) The Capital Work-in-Progress amounting to Rs.196.57 Lakhs represents the amounts incurred in connection with the Capacity Enhancement and Automation of Raw Material Handling of the Foods Factory at Hosakote. This will be capitalised after completion of the respective Projects.

- (20) 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 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 High 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. Your 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, your 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 your Company. As a matter of prudence, your Company has made a provision of Rs.12 Lakhs during the year and the cumulative provision available on this account as on 31.03.2014 was Rs.79.85 Lakhs.

Notes on Accounts (Contd.)

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

	2013-14	2012-13
	Rs.	Rs.
Profit after Tax (Current/Deferred Tax) & Extraordinary item(s) (Rs. in Lakhs)	1,238.87	1,420.34
Weighted Average number of Equity Shares used as denominator for calculating EPS (in lakhs Shares)	77.66	77.66
Earnings per share of Rs.10/-each	15.95	18.29

- (22) The Company has acquired certain assets on Finance Lease on or after 1st April, 2001, amounting to Rs.2,45,58,765/- (Previous Year - Rs.1,86,66,663/-) The minimum Lease rental outstanding as of 31st March, 2014 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	
	31.03.2014 Rs.	31.03.2013 Rs.	31.03.2014 Rs.	31.03.2013 Rs.	31.03.2014 Rs.	31.03.2013 Rs.
Within one year	56,88,550	37,78,550	17,35,606	10,79,495	39,52,944	26,99,055
Later than one year and not later than 5 years	1,07,28,925	70,44,965	20,68,586	12,68,995	86,60,339	57,75,970
Later than 5 years	—	—	—	—	—	—
Total	1,64,17,475	1,08,23,515	38,04,192	23,48,490	1,26,13,283	84,75,025

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

- (a) The Company had transactions with the following related parties:

Associates/ Others:

T T Krishnamachari & Co., Pharma Research & Analytical Laboratories, TTK Prestige Ltd., TTK Protective Devices Ltd. (formerly TTK-LIG Ltd.), Packwell Packaging Products Ltd.

Key Management Personnel:

Mr T T Raghunathan and Mr K Vaidyanathan

Relatives of Key Management Personnel:

Mr T T Lakshman

- (b) Summary of the transactions with the above related parties is as follows:

(figures in brackets are in respect of the previous year)

(Rs. in Lakhs)

Particulars	Associates/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Sales	12.36	—	—	12.36
	(11.06)	—	—	(11.06)
Other Receipts	7.43	—	—	7.43
	(8.55)	—	—	(8.55)
Purchases	2,364.05	—	—	2,364.05
	(3,472.65)	—	—	(3,472.65)
Salary	—	145.32	25.66	170.98
	—	(154.21)	(19.59)	(173.80)
Other Payments	688.10	—	—	688.10
	(640.48)	—	—	(640.48)

Notes on Accounts (Contd.)

(c) Balances outstanding as on 31.03.2014

(figures in brackets are in respect of the previous year)

(Rs. in Lakhs)

Particulars	Associates/ Others	Key Management Personnel	Relatives of Key Management Personnel	Total
Amount due to the Company against supplies	2.45	–	–	2.45
	(0.33)	–	–	(0.33)
Other Current Assets	25.50	–	–	25.50
	(25.50)	–	–	(25.50)
Amount owed by the Company against purchases	271.22	–	–	271.22
	(472.62)	–	–	(472.62)
Other Current Liabilities	67.14	54.63	2.40	124.17
	(63.21)	(64.61)	(1.80)	(129.62)

(24) 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 01.04.2013	Additions	Amount used / reversed	As at 31.03.2014
Income-Tax	2,745.00	698.00	–	3,443.00
	(2,035.00)	(710.00)	–	(2,745.00)

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

(Rs. in Lakhs)

Particulars	As at 01.04.2013	Additions	Amount used / reversed	As at 31.03.2014
Income-Tax & Fringe Benefit Tax	857.53	195.00	–	1,052.53
	(802.53)	(127.12)	(72.12)	(857.53)
Central Excise, Customs, Sales Tax, etc.	427.71	0.35	12.03	416.03
	(603.13)	(30.14)	(205.56)	(427.71)
Other Contingent Liabilities	373.66	–	122.21	251.45
	(417.83)	(23.19)	(67.36)	(373.66)

Notes:

The disputed Income-Tax / Fringe Benefit Tax liabilities amounting to Rs.1,052.53 Lakhs have not been acknowledged as debts and have been classified under Contingent Liabilities.

Similarly, Rs.416.03 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 include disputed liability towards water charges amounting to Rs.45.88 Lakhs as per the details given in Point No.20 of the Notes on Accounts.

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

(25) Previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation. Figures have been rounded off to the nearest rupee.

Notes on Accounts (Contd.)

STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES

Basis for preparation of accounts:

The Accounts have been prepared to comply in all material aspects with applicable Accounting Principles in India, the applicable Accounting Standards as notified under Companies (Accounting Standards) Rules, 2006 and according to the provisions of the Companies Act, 1956. Financial Statements are prepared based on historical cost and on the basis of a going concern. The Company follows the mercantile system of Accounting and recognizes income and expenditure on an accrual basis.

Fixed Assets

Fixed Assets are stated at cost of acquisition inclusive of freight, taxes, insurance, etc., relating to the acquisition including installation/erection charges up to the date the asset is put to use, as applicable. 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 31st 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 recognized 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.

Revenue Recognition:

Sales are stated at net of returns and sales tax. The Excise Duty relating to sales is separately disclosed and deducted from Sales. Sales Revenue is recognized when significant risks and rewards of ownership of the goods have passed to the buyer.

Dividend income from investments is accounted for when the right to receive the payment is established.

Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Borrowing Costs

Borrowing costs are expensed as and when incurred.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to Equity Shareholders by weighted average number of Equity Shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to Equity Shareholders and weighted average number of shares outstanding during the year are adjusted for the effects of dilutive part of Equity Shares, if any.

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).

Taxes on Income

Current Tax is determined as the amount of tax payable in respect of taxable income for the period.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognized on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

Provisions & Contingencies

Provisions are recognized 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 recognized nor disclosed.

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 : 27th May, 2014

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
J Srinivasan, Director
K Shankaran, Director
S Kalyanaraman, Company Secretary
B V K Durga Prasad, Senior Vice President - Finance

Segment-wise Revenue, Results & Capital Employed

Segment-wise Revenue & Results:

(Rs. in Lakhs)

Particulars	2013-14			2012-13		
	Segment Revenue	Excise Duty relating to Sales	Net Segment Revenue	Segment Revenue	Excise Duty relating to Sales	Net Segment Revenue
Segment Revenue:						
Pharmaceuticals	22,456.47	12.73	22,443.74	19,751.02	—	19,751.02
Medical Devices	1,806.70	—	1,806.70	1,741.08	—	1,741.08
Consumer Products Distribution	12,499.25	—	12,499.25	13,079.35	—	13,079.35
Foods	4,726.13	—	4,726.13	3,401.11	—	3,401.11
Others	80.43	—	80.43	218.02	—	218.02
Total Segment Revenue	41,568.98	12.73	41,556.25	38,190.58	—	38,190.58
Less: Inter Segment Revenue	—	—	—	—	—	—
Net Sales	41,568.98	12.73	41,556.25	38,190.58	—	38,190.58
Segment Results:						
[Profit / (Loss) before Interest & Tax]						
Pharmaceuticals			2,189.69			2,343.82
Medical Devices			401.81			403.12
Consumer Products Distribution			(744.65)			(494.99)
Foods			1,104.01			564.36
Others			(90.04)			(73.34)
Total Segment Results			2,860.82			2,742.97
Less: Interest Expenses			298.79			254.38
Less: Unallocable Expenses (Net of Unallocable Income)			595.47			326.42
Total Profit/(Loss) before Tax			1,966.56			2,162.17

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

Capital Employed (Segment Assets less Segment Liabilities):

			(Rs. In Lakhs)
Particulars	As on 31.03.2014	As on 31.03.2013	
Pharmaceuticals	1,090.45	1,064.78	
Medical Devices	1,238.70	1,147.66	
Consumer Products Distribution	(301.57)	(218.42)	
Foods	4,939.34	2,474.67	
Others	(37.74)	28.17	
Total Capital Employed in Segments	6,929.18	4,496.86	
Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	7,432.18	8,032.35	
Total Capital Employed in Company	14,361.36	12,529.21	
Total Assets Exclude:			
Investments	13.37	76.81	
Deferred Tax Asset	106.38	85.43	
Total Liabilities Exclude:			
Secured Loans	3,024.01	2,155.40	
Unsecured Loans	—	—	
Deferred Tax Liability	401.02	350.38	
Proposed Dividend including Dividend Tax	363.43	363.43	

Notes:

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) considering the organization 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:
 - Pharmaceuticals include products for both Human and Veterinary use. It also includes OTC Brands like Woodward's Gripewater distributed by the Consumer Products Division.
 - Medical Devices include Artificial Heart Valves, Hernia Repair Mesh, Orthopaedic Implants, etc.
 - 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.
 - Foods comprise of manufacturing and marketing of Food Products.
 - "Others" comprise of Printing and Publishing of Maps and Atlases.
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.

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

I. REGISTRATION DETAILS

Registration Number (CIN)	L24231TN1958PLC003647
State Code	18
Balance Sheet Date	31-03-2014

II. CAPITAL RAISED DURING THE YEAR (Amount in Rupees)

Public Issue	Nil
Rights Issue	Nil
Private Placement	Nil

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rupees)

Total Liabilities	239,94,00,730
Total Assets	239,94,00,730

Sources of Funds

Paid-up Capital	7,76,59,830
Reserves & Surplus	99,16,04,152
Secured Borrowings	28,24,01,130
Unsecured Loans	—
Other Long Term Liabilities	9,28,41,408

Applications of Funds

Net Fixed Assets	55,63,50,373
Investments	13,37,000
Long Term Loans & Advances	21,43,16,703
Net Current Assets	70,19,66,854
Deferred Tax Asset (Net)	(2,94,64,410)

IV. PERFORMANCE OF THE COMPANY

Turnover (Total Income)	4,22,30,31,323
Total Expenditure	4,02,63,74,869
Profit(+)/Loss(-) before Tax	19,66,56,454
Provision for Tax	6,98,00,000
Deferred Tax	29,69,567
Profit(+)/Loss(-) after Tax	12,38,86,887
Earning Per Share (after Extraordinary Items) (In Rs.)	15.95
Dividend Rate	40%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code)	Product Description
300490.11	Gripewater
330720.00	Deodorants
190590.40	Pappad

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 : 27th May, 2014

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

Financial Highlights

(Rs. in lakhs)

	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Sales & Other Income	42,230.31	38,903.69	35,844.64	31,535.20	25,619.81	22,490.92	22,645.86	21,721.21	19,233.95	16,000.26
Profit Before Tax	1,966.56	2,162.17	2,354.83	2,214.44	1,550.23	1,337.45	2,199.11	584.39	498.31	(237.64)
Current Tax	698.00	710.00	770.00	730.00	535.00	215.00	272.44	54.30	32.98	—
Deferred Tax	29.70	31.82	21.91	12.25	102.49	239.98	(617.83)	(130.00)	(159.00)	30.61
Fringe Benefit Tax	—	—	—	—	—	95.00	90.00	100.00	106.00	—
Profit After Tax	1,238.87	1,420.35	1,562.91	1,472.19	912.74	787.47	1,218.84	300.09	200.33	(207.03)
Dividend	310.64	310.64	310.64	310.64	271.81	242.63	243.31	202.76	132.21	—
Tax on Dividend	52.79	52.79	50.39	50.39	46.19	41.23	41.35	34.46	18.54	—
Retained Earnings	875.44	1,056.92	1,201.88	1,111.16	594.74	503.62	934.18	62.87	49.58	(207.03)
Sources & Applications of Funds :										
Net Block	5,563.50	4,374.70	3,928.55	3,739.01	3,032.09	2,098.21	1,796.80	2,854.36	3,123.22	3,176.08
Investments	13.37	76.81	676.81	683.60	815.37	815.37	315.37	13.37	13.87	163.22
Net Current Assets	7,019.67	7,528.52	6,251.86	4,602.91	4,246.79	4,908.32	4,799.79	2,444.57	829.13	1,166.71
Long Term Loans & Advances	2,143.16	1,123.21	703.02	—	—	—	—	—	—	—
Deferred Tax Asset	106.38	85.43	65.39	54.50	69.44	177.27	413.83	1,234.09	1,397.29	1,621.47
Deferred Tax Liability	(401.02)	(350.38)	(298.51)	(265.71)	(268.40)	(273.74)	(270.32)	(472.75)	(505.95)	(571.13)
Miscellaneous Expenditure	—	—	—	—	—	—	—	104.60	148.34	90.65
Total Assets	14,445.06	12,838.29	11,327.12	8,814.31	7,895.29	7,725.43	7,055.47	6,178.24	5,005.90	5,647.00
Share Capital	776.60	776.60	776.60	776.60	776.60	808.75	811.04	811.04	661.04	661.04
Reserves	9,916.04	9,045.63	7,993.74	6,796.88	5,690.74	5,400.88	4,921.26	3,992.11	2,989.26	2,945.72
Borrowings	1,324.01	2,155.40	1,754.51	1,240.83	1,427.95	1,515.80	1,323.17	1,375.09	1,355.60	2,040.24
Long Term Liabilities	2,428.41	860.66	802.27	—	—	—	—	—	—	—
Total Liabilities	14,445.06	12,838.29	11,327.12	8,814.31	7,895.29	7,725.43	7,055.47	6,178.24	5,005.90	5,647.00

[illegible]

[illegible]



TTK HEALTHCARE LIMITED

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

CIN : L24231TN1958PLC003647, Web: www.ttkhealthcare.com, Email : investorcare@ttkhealthcare.com, Tel : +91 44 28116106 / 28113804

FORM NO. MGT 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : _____

Registered Address : _____

Email ID : _____ Folio No. / DP ID and Client ID: _____

I/We, being the Member(s), holding shares of the above named Company, hereby appoint.

1. Name :	2. Name :	3. Name :
Address :	Address :	Address :
.....
.....
Email ID:.....	Email ID:.....	Email ID:.....
Signature:....., or failing him	Signature:....., or failing him	Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **Fifty Sixth Annual General Meeting** of the Company, to be held on the 22nd day of August, 2014 at 10.15 a.m., at **The Music Academy, Kasturi Srinivasan Hall (Mini Hall), New No.168 (Old No.306), TTK Road, Chennai 600 014** and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Type of Resolution	Optional*	
			For	Against
1	Adoption of the Profit & Loss Statement for the year ended 31st March, 2014 and the Balance Sheet as on that date together with the Reports of Directors and Auditors thereon.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
2	Declaration of Dividend.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
3	Re-appointment of Mr T T Jagannathan as a Director of the Company, who retires by rotation and is eligible for re-appointment.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
4	Appointment of Auditors and to fix their remuneration.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
5	Retirement of Mr J Srinivasan as a Director of the Company.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
6	Appointment of Mr B N Bhagwat as an Independent Director.	Special	<input type="checkbox"/>	<input type="checkbox"/>
7	Appointment of Dr (Mrs) Vandana R Walvekar as an Independent Director.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
8	Appointment of Mr Girish Rao as an Independent Director.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
9	Ratification for the remuneration payable to the Cost Auditors of the Company, for the year 2014-15 by the Shareholders.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>
10	Authorization to the Board for creating mortgage and/or charges on the assets of the Company.	Special	<input type="checkbox"/>	<input type="checkbox"/>
11	Authorization to the Board for borrowing beyond the Paid-up Share Capital and Free Reserves of the Company.	Special	<input type="checkbox"/>	<input type="checkbox"/>
12	Authorization to the Board to contribute to bonafide charitable and other funds.	Ordinary	<input type="checkbox"/>	<input type="checkbox"/>

Signed thisday of, 2014

Signature of Shareholder:.....

Signature of Proxy holder(s):.....

Affix Re.1
Revenue
Stamp

Notes:

- * This is only optional. Please put 'X' in the Box in the appropriate column against the respective resolution. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

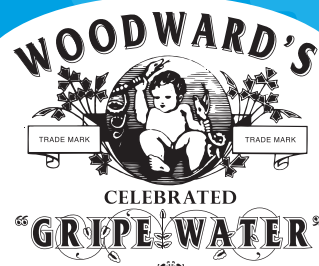


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