TTK Healthcare
LIMITED

TTKH:SECL:GJ:134:16 **August 08, 2016**

National Stock Exchange of India Limited (NSE)
Exchange Plaza
Bandra Kurla Complex
Bandra East
Mumbai 400 051

Scrip Code : TTKHLTCARE

Dear Sirs,

Re : Submission of softcopy of the Annual Report for the year ended 31st March, 2016

Pursuant to Regulation 34 of the SEBI (LODR) Regulations, 2015, we hereby submit the softcopy of the **Annual Report** for the year ended **31st March, 2016**, which was approved and adopted at the Fifty Eighth Annual General Meeting of the Company held on 5th August, 2016.

Kindly take the above document on record.

Thanking you,

Yours faithfully
For TTK Healthcare Limited

(S KALYANARAMAN)
Director & Wholetime Secretary

Encl. : a/a

Regd. Office : No. 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)

A TTK Group Company

58th ANNUAL REPORT 2015-16

TTK Healthcare Limited

A TCK PRODUCT

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Doll and Tease

Eva Mini deo

TTK HEALTHCARE LIMITED

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BOARD OF DIRECTORS

Mr T T Jagannathan	Chairman
Mr T T Raghunathan	Executive Vice Chairman
Mr R K Tulshan	Director
Mr B N Bhagwat	Director
Mr K Shankaran	Director
Dr (Mrs) Vandana R Walvekar	Director
Mr Girish Rao	Director
Mr S Balasubramanian	Director
Mr N Ramesh Rajan	Director
Mr S Kalyanaraman	Director & Wholetime Secretary

COMPANY SECRETARY

Mr S Kalyanaraman

REGISTERED & ADMINISTRATIVE OFFICE

No.6, Cathedral Road, Chennai 600 086.
Website: www.ttkhealthcare.com CIN : L24231TN1958PLC003647
Tel: 044-28116106 E-mail: info@ttkhealthcare.com

FACTORIES

- No.5, Old Trunk Road, Pallavaram, Chennai 600 043, Tamil Nadu.
- No.2-B, Hosakote Industrial Area, 8th Kilometre, Hosakote Chinthamani Road, Hosakote Taluk, Bengaluru 562 114, Karnataka
- Site No.A28, KINFRA International Apparel Parks Ltd., St. Xavier's College P.O., Thumba, Thiruvananthapuram 695 586, Kerala.
- No.290, SIDCO Industrial Estate, Ambattur, Chennai 600 098, Tamil Nadu.
- No.3, Thiruneermalai Main Road, Chromepet, Chennai 600 044, Tamil Nadu.
- Plot No.DTA-005-005, Mahindra World City, Tehsil Sanganer, Jaipur 302 037, Rajasthan.

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, Tirupathi, Vijayawada and Zirakpur.

BANKERS

Bank of Baroda
Corporate Financial Services Branch
T.Nagar, Chennai 600 017

Corporation Bank
G T Branch
George Town, Chennai 600 001

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

COST AUDITORS

M/s Geeyes & Co.
Cost Accountants
A-3, III Floor, 7th Avenue, Ashok Nagar
Chennai 600 083

SECRETARIAL AUDITOR

Mr R Balasubramaniam
Practising Company Secretary
J Block, Second Street, "Newry Suprit"
Door No.27, Flat A2, Anna Nagar East, Chennai 600 102

REGISTRARS & TRANSFER AGENTS

M/s Data Software Research Co. Pvt. Ltd.
19, Pycrofts Garden Road, Off. Haddows Road
Nungambakkam, Chennai 600 006
Tel : (91) (44) 28213738 / (91) (44) 28214487
E-mail: ttk.healthcare@dsrc.cid.in

Financial Highlights

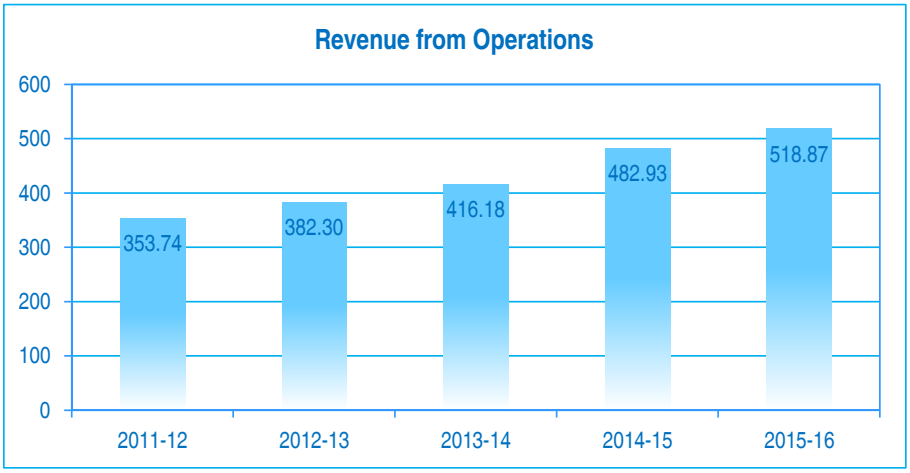
(Rs. in lakhs)

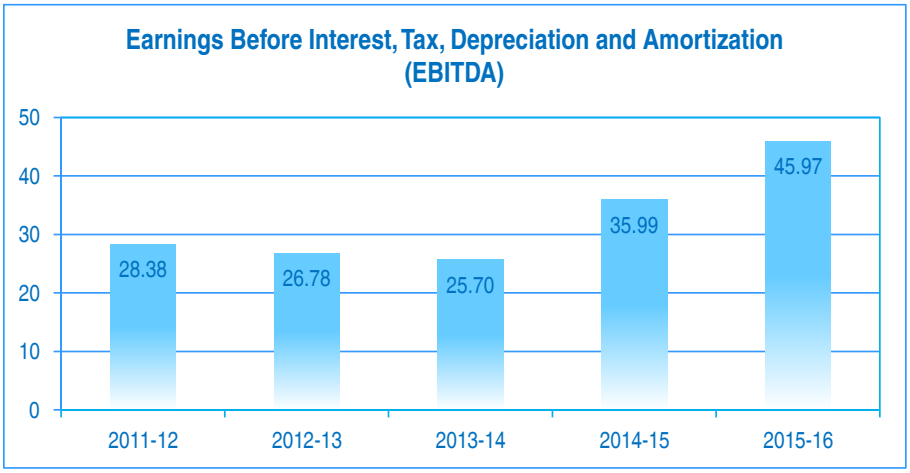
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Sales & Other Income	**52,445.76**	48,949.44	42,230.31	38,903.69	35,844.64	31,535.20	25,619.81	22,490.92	22,645.86	21,721.21
Profit Before Ta	**3,552.74**	2,633.46	1,966.56	2,162.17	2,354.83	2,214.44	1,550.23	1,337.45	2,199.11	584.39
Current Tax	**1,002.00**	1,090.00	698.00	710.00	770.00	730.00	535.00	215.00	272.44	54.30
Deferred Tax	**284.22**	(72.06)	29.70	31.82	21.91	12.25	102.49	239.98	(617.83)	(130.00)
Fringe Benefit Ta	–	–	–	–	–	–	–	95.00	90.00	100.00
Profit After Ta	**2,266.52**	1,615.52	1,238.87	1,420.35	1,562.91	1,472.19	912.74	787.47	1,218.84	300.09
Dividend - Amount	**388.30***	349.47	310.64	310.64	310.64	310.64	271.81	242.63	243.31	202.76
Rate	**50%***	45%	40%	40%	40%	40%	35%	30%	30%	25%
Tax on Dividend	**79.05**	71.14	52.79	52.79	50.39	50.39	46.19	41.23	41.35	34.46
Retained Earnings	**1,799.17**	1,194.91	875.44	1,056.92	1,201.88	1,111.16	594.74	503.62	934.18	62.87
Earnings Per Share (EPS) of Rs.10/- each	**29.19**	20.80	15.95	18.29	20.13	18.96	11.68	9.71	15.03	4.00
Sources & Applications of Funds :										
Net Block	**10,707.04**	9,757.21	5,563.50	4,374.70	3,928.55	3,739.01	3,032.09	2,098.21	1,796.80	2,854.36
Investments	**1,013.37**	13.37	13.37	76.81	676.81	683.60	815.37	815.37	315.37	13.37
Net Current Assets	**4,544.27**	5,920.74	7,019.67	7,528.52	6,251.86	4,602.91	4,246.79	4,908.32	4,799.79	2,444.57
Long Term Loans & Advances	**1,189.26**	1,152.45	2,143.16	1,123.21	703.02	–	–	–	–	–
Deferred Tax Asset	**131.99**	115.05	106.38	85.43	65.39	54.50	69.44	177.27	413.83	1,234.09
Deferred Tax Liability	**(638.80)**	(337.64)	(401.02)	(350.38)	(298.51)	(265.71)	(268.40)	(273.74)	(270.32)	(472.75)
Miscellaneous Expenditure	_	–	–	–	–	–	–	–	–	104.60
Total Assets	**16947.13**	**16,621.18**	**14,445.06**	**12,838.29**	**11,327.12**	**8,814.31**	**7,895.29**	**7,725.43**	**7,055.47**	**6,178.24**
Share Capital	**776.60**	776.60	776.60	776.60	776.60	776.60	776.60	808.75	811.04	811.04
Reserves	**12,844.61**	11,050.45	9,916.04	9,045.63	7,993.74	6,796.88	5,690.74	5,400.88	4,921.26	3,992.11
Borrowings	**2,195.31**	2,230.12	1,324.01	2,155.40	1,754.51	1,240.83	1,427.95	1,515.80	1,323.17	1,375.09
Long Term Liabilities	**1,130.61**	2,564.01	2,428.41	860.66	802.27	–	–	–	–	–
Total Liabilities	**16,947.13**	16,621.18	14,445.06	**12,838.29**	**11,327.12**	**8,814.31**	**7,895.29**	**7,725.43**	**7,055.47**	**6,178.24**

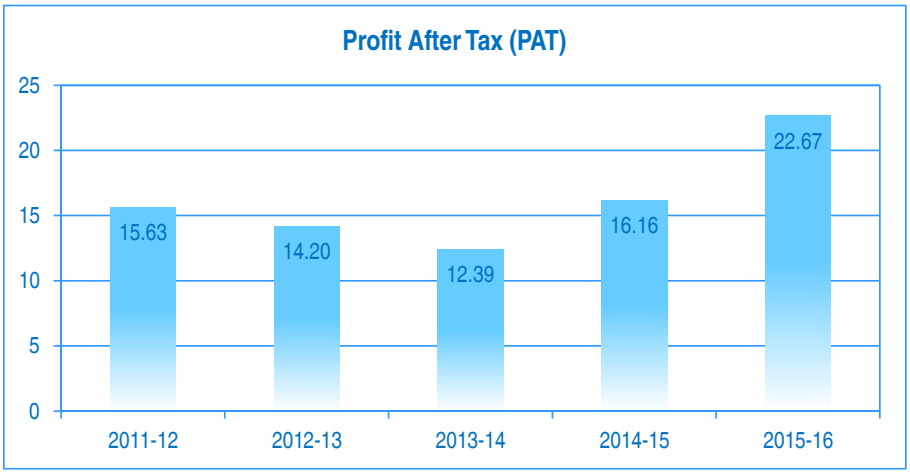
* Recommended by the Board.

Financial Highlights (Contd.)

(Rs. in Crores)







Notice to Shareholders

NOTICE is hereby given that the **Fifty Eighth Annual General Meeting** of the Company will be held at **10.15 a.m.,** on **Friday,** the **5th August, 2016** at **Narada Gana Sabha (Mini Hall), No.314, TTK Road, Chennai 600 018**, to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2016 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 a Director in the place of Mr K Shankaran (DIN: 00043205) who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of Auditors and to 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** the appointment of M/s Aiyar & Co., Chartered Accountants, Chennai (Firm Regn. No.000063S) and M/s S Viswanathan LLP, Chartered Accountants, Chennai (Firm Regn. No.004770S / S200025) (who were appointed by the Members as Statutory Auditors of the Company, for a period of 3 years, from the conclusion of the Fifty Sixth Annual General Meeting upto the conclusion of the Fifty Ninth Annual General Meeting), be and is hereby ratified until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors of the Company".

Special Business

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

   "**RESOLVED THAT** pursuant to Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the Rules made thereunder, the re-appointment of Mr T T Raghunathan (DIN: 00043455) as Executive Vice Chairman of the Company, for a further period of 5 years, with effect from 1st November, 2016, by the Board of the Directors, on such remuneration and terms and conditions as set out in the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed to this Notice and duly approved by the Nomination & Remuneration Committee, be and is hereby approved and ratified".

   "**RESOLVED FURTHER THAT** during any year of loss or inadequacy of profits, Salary, Productivity Incentive, Allowances, Perquisites and Benefits fixed by the Board of Directors, shall be paid as minimum remuneration to Mr T T Raghunathan, subject to the ceiling prescribed for the time being under Schedule V to the Companies Act, 2013 or any statutory modification(s) thereof AND THAT the Board of Directorsbe and are hereby authorized to apply to the Central Government, as may be necessary, if such minimum remuneration exceeds the ceiling prescribed under Schedule V to the Companies Act, 2013 or any statutory modification(s) thereof"

   "**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to revise the remuneration package of Mr T T Raghunathan, Executive Vice Chairman, from time to time, within the ceilings prescribed under Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the said Act, as may be in force from time to time".
7. To consider and if thought fit, to pass with or without modification(s), th 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, read with Schedule IV to the Companies Act, 2013 and Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of **Mr N Ramesh Rajan** (DIN: 01628318), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013, as an Independent Director of the Company by the Board of Directors, to hold office for a term of five consecutive years, with effect from 3rd February, 2016, not liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Independent Director, be and is hereby approve ".
8. To consider and if thought fit, to pass with or without modification(s), th following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration of Rs.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 Regn. No.000044), for conducting the audit of cost records of the Company, for the financial year ending 3 st March, 2017, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirm ".

BY ORDER OF THE BOARD

Place : Chennai
Date : May 30, 2016

S KALYANARAMAN
Director & Wholetime 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/ herself and the Proxy or Proxies so appointed need not be a member or members 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.

Notice to Shareholders (Contd.)

2. 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.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 1st August, 2016 to 5th August, 2016 (Both days inclusive), for the purpose of payment of Dividend for the financial year ended 31st March, 2016, if declared, at the meeting.
4. 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 5th August, 2016.
5. 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.
6. 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.
7. 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	Amount as on 31.03.2016
31.03.2009	27.08.2009	27.08.2016	5,28,846.00
31.03.2010	28.07.2010	28.07.2017	6,11,803.50
31.03.2011	27.07.2011	27.07.2018	7,67,908.00
31.03.2012	13.08.2012	13.08.2019	8,21,220.00
31.03.2013	25.07.2013	25.07.2020	8,17,404.00
31.03.2014	22.08.2014	22.08.2021	7,64,272.00
31.03.2015	07.08.2015	07.08.2022	8,57,790.50

   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 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. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements maintained under Section 189 of the said Act, will be available for inspection at the AGM.
10. **Information and other Instructions relating to e-Voting (Voting through electronic means) are as under:**

    Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide e-Voting facility to its members through Central Depository Services (India) Limited (CDSL), in respect of the businesses to be transacted at the Fifty Eighth Annual General Meeting.

    The facility for voting through Polling Paper shall also be made available at the Meeting and the members attending the Meeting who have not cast their vote by e-Voting shall be able to vote at the Meeting through Polling Paper.

    The Company has appointed Mr. Balu Sridhar, Partner, M/s A K Jain & Associates, Practising Company Secretary as the Scrutinizer for conducting both the e-Voting and the Poll process in a fair and transparent manner and he has communicated his willingness for the same.

    The members who have cast their vote by e-Voting may also attend the Meeting but shall not be entitled to cast their vote again.

    The voting rights of the Shareholders/beneficial owners shall be reckoned on the equity shares held by them as on 29th July, 2016**,** being the **cut-off date**. Shareholders of the Company holding shares either in physical or in dematerialized form, as on the cut-off date, may cast their vote electronically or at the venue of the meeting through Polling Paper.

    A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date i.e. 29th July, 2016 only shall be entitled to avail the facility of e-Voting.

    In case a person has become the Member of the Company after the despatch of Notice but on or before the cut-off date i.e. 29th July, 2016, he/she may write to M/s Data Software Research Co. Pvt. Ltd. (DSRC), on the E-mail ID: ttk.healthcare@dsrc-cid.in or M/s Data Software Research Co. Pvt. Ltd., (Unit – TTK Healthcare Limited), No.19, Pycrofts Garden Road, Off. Haddows Road, Nungambakkam, Chennai 600 006 or contact Mr. S Chandrasekaran at contact No. 044-28213738 / 28214487 during office hours, requesting for the User ID and Password. After receipt of the above credentials, please follow the instructions for e-Voting to cast the vote.

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

    The Scrutinizer, after scrutinizing the votes cast at the meeting by Poll and e-Voting, will not later than two days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same to the Chairman.

    The results declared along with the consolidated Scrutinizer's Report shall be placed on the website of the Company www.ttkhealthcare.com and on the website of CDSL www.evotingindia.com. The results shall simultaneously be communicated to the Stock Exchanges.

    Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting (i.e.) 5th August, 2016.

Notice to Shareholders (Contd.)

Instructions for e-Voting:

(i) The voting period begins at 9.30 a.m. on 1st August, 2016 and ends at 5.00 p.m. on 4th August, 2016. During this period, the Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29th July, 2016, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The Shareholders should log on to the e-Voting website www.evotingindia.com.

(iv) Click on "Shareholders".

(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

(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). • 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
Dividend Bank Details or Date of Birth (DOB)#	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the Depository or Company, please enter the Member ID / Folio No. in the Dividend Bank details field as mentioned in instruction (v)

* 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 to 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 fiel

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

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

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

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

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

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

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confir 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 votes cast by clicking on "Click here to print" option on the Voting page.

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

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non-Individual Shareholders & Custodians:

- Non-individual Shareholders (i.e. other than individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance

Notice to Shareholders (Contd.)

User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case of any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com or call toll free No.1800 200 5533.

11. Information required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015:

(a) Mr T T Jagannathan

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

He is a Gold Medalist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA.

He has been a Director since 1984 and is the Chairman of the Company.

He is also Chairman / Director on the Board of the following Companies:

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

He is the Chairman of the Corporate Social Responsibility (CSR) Committee of M/s TTK Prestige Ltd.

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

He holds 7,30,048 Equity Shares in the Company (in his individual capacity).

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

(b) Mr K Shankaran

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

He is a qualified Cost & Management Accountant and Company Secretary and has been a Director of the Company since 2000.

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

- M/s TTK Prestige Ltd.
- M/s TTK Services Pvt. Ltd
- M/s Vidal Health TPA Pvt. Ltd.
- M/s TTK Property Services Pvt. Ltd.

He is a Member of the Stakeholders Relationship Committee of M/s TTK Prestige Ltd.

He is the Chairman of the Stakeholders Relationship Committee and Member of the Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility (CSR) Committee of the Company.

He holds 247 Equity Shares in the Company.

He is not related to any other Directors or Key Managerial Personnel or their relatives.

(c) Mr T T Raghunathan

Mr T T Raghunathan is a Commerce Graduate. He is also the Vice Chairman of the TTK Group of Companies. He has over four decades of industrial experience. He has been on the Board of your Company from the year 1998 and was appointed as Executive Vice Chairman, with effect from 1st November, 2001.

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

- M/s TTK Prestige Ltd.
- M/s TTK Tantex Ltd.
- M/s TTK Protective Devices Ltd.
- M/s Cigna TTK Health Insurance Co. Ltd.
- M/s TTK Property Services Pvt. Ltd.
- M/s TTK Services Pvt. Ltd.

He does not hold any Committee Chairmanship / Membership in the above Companies.

He is the Chairman of the Corporate Social Responsibility (CSR) Committee of the Company.

He holds 9,547 Equity Shares in the Company (in his individual capacity).

He is the brother of Mr T T Jagannathan, Chairman of the Company.

(d) Mr N Ramesh Rajan

Mr N Ramesh Rajan is a Commerce Graduate and is a Fellow Member of the Institute of Chartered Accountants of India.

He has a very long and successful professional career, spanning over three decades and is currently the Founder and Senior Partner of M/s LeapRidge Advisors LLP (a member of Crowe Horwath International). He also held several senior positions including Chairman, Senior Partner and Executive Director with M/s PriceWaterhouse India, one of the leading professional services firms

He is the Chairman of the Board of Directors of M/s Indo-National Limited. He is also the Chairman of the Audit Committee, Stakeholders Relationship & Share Transfer Committee, Risk Management Committee and CSR Committee and is the Member of Nomination & Remuneration Committee of that Company.

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

He does not hold any shares in the Company.

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

BY ORDER OF THE BOARD

S KALYANARAMAN
Director & Wholetime Secretary

Place : Chennai
Date : May 30, 2016

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

Notice to Shareholders (Contd.)

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.6

Mr T T Raghunathan was originally appointed as Executive Vice Chairman of the Company for a period of 5 years effective 1st November, 2001 and upon expiry of his term of office, he was re-appointed for further period(s), from time to time. His current term of 5 years expires on 31st October, 2016.

The Board of Directors in their meeting held on 30th May, 2016, re-appointed Mr T T Raghunathan as Executive Vice Chairman of the Company, for a further period of 5 years, with effect from 1st November, 2016, on the following terms and conditions:

A.	**Salary**	: Rs.3,00,000 (Rupees Three Lakhs only) per month.
B.	**Productivity Incentive**	: 2% of the pre-tax profit of the Company as declared in the Audited Annual Accounts.
C.	**Perquisites :**	
	(1) Housing	: House Rent Allowance @ 60% of the Salary.
	(2) Gas, Electricity, Water, etc.	: The expenditure incurred on Gas, Electricity, Water, etc., subject to a ceiling of 10% of the Salary.
	(3) Medical Benefits	: One month's salary in a year for self, wife, children and dependents. In addition, in case of major diseases and hospitalization, 100% for self and 50% for wife, dependent children and parents would be reimbursed towards expenses incurred.
	(4) Leave Travel Allowance	: For self and family, to and fro Air Fare and other related expenses to any place in India or abroad once a year.
	(5) Club Fees	: Fees for two clubs not including Admission and Life Membership Fees.
	(6) Personal Accident Insurance	: Personal Accident cover, as per the rules of the Company.

D. Benefits:

(1) Other Perquisites viz., Provident Fund, Superannuation and Gratuity will be allowed as per the rules of the Company.

(2) Mr Raghunathan will be provided Car with driver for use. He will also be entitled for reimbursement of expenses relating to residential and mobile phones.

(3) Mr Raghunathan will be allowed Leave and Encashment thereof, as per the rules of the Company.

E. Commission:

During the year in which adequate profits have been made, the difference between 5% of such profits and the Salary, Productivity Incentive, Allowances, Perquisites and Benefits as referred to above in items A, B, C & D(1) shall be paid as commission and such commission shall become due and payable on adoption of the Accounts of the Company for such financial year. Such profits shall be computed in accordance with Section 198 of the Companies Act, 2013.

F. Other Terms and Conditions :

1. During any financial year in which the Company has incurred losses or has inadequate profits, Salary, Productivity Incentive, Allowances, Perquisites and Benefits as mentioned above and subsequent revision(s), if any, shall be paid as minimum remuneration to the appointee. If such minimum remuneration exceeds the ceiling, if any, prescribed under Schedule V to the Companies Act, 2013, or any statutory modification(s) thereof, the Company shall seek permission of the Central Government as may be necessary in accordance with the provisions governing payment of managerial remuneration in force at the relevant period of time.
2. In the event of the Appointee ceasing in the midst of any financial year of the Company to be the Executive Vice Chairman of the Company for any cause whatsoever, he shall be entitled to receive from the Company such part of the remuneration as is payable to him in accordance with this appointment as is proportionate to his period of service in that financial year of the Company and for this clause, the profits of the Company shall be deemed to accrue day-to-day.
3. The Appointee shall, subject to the provisions of Section 202 of the Companies Act, 2013, be entitled to compensation for loss of office, amounting to remuneration together with the value of benefits and perquisites which he would have earned for the unexpired term of his office or three years, whichever is shorter, computed in the manner laid down under Section 202 of the Companies Act, 2013.
4. This appointment may be terminated by either party by giving to the other party six months notice of such termination.
5. If at anytime the Appointee ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Vice Chairman in terms of this Appointment and the same shall forthwith terminate.

The above package is in line with the industry practice and commensurate with the qualification, experience and performance of the appointee.

The above remuneration package has also been approved by the Nomination & Remuneration Committee at its meeting held on 30th May, 2016.

In case of loss or inadequacy of profits in any financial year, the remuneration package mentioned above and the subsequent revisions, if any, by the Board of Directors from time to time, shall be paid as minimum remuneration to Mr T T Raghunathan, subject to the ceilings prescribed under the Schedule V to the Companies Act, 2013. In case such minimum remuneration exceeds the ceilings prescribed, necessary approval of the Central Government would be obtained.

The said re-appointment is on contract basis and Mr T T Raghunathan is not liable to retire by rotation as a Director of the Company.

Consequent to his re-appointment as Executive Vice Chairman, effective 1st November, 2016, he would continue to be the Chief Executive Officer (CEO) (Key Managerial Personnel) of the Company.

The re-appointment of Mr T T Raghunathan as Executive Vice Chairman and payment of remuneration to him requires the approval of the Shareholders in terms of Sections 196, 197 and other applicable provisions, if any, of and Schedule V to the Companies Act, 2013 and the Rules made thereunder and hence, this Resolution is placed before the Shareholders for their approval.

Notice to Shareholders (Contd.)

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

Except Mr T T Raghunathan, being the appointee and Mr T T Jagannathan, 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.7

The Board of Directors at its meeting held on 3rd February, 2016, upon recommendation of the Nomination & Remuneration Committee at its meeting held that day, appointed Mr N Ramesh Rajan as an Independent Director, pursuant to Sections 149, 150, 152, 160 and other applicable provisions, if any, of and Schedule IV to the Companies Act, 2013 and the Rules made thereunder, for a term of five consecutive years, with effect from 3rd February, 2016, not liable to retire by rotation, subject to the approval of the Shareholders.

Mr N Ramesh Rajan had submitted the following:

(i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014

(ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013, confirming his eligibility for such appointment; and

(iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume of Mr N Ramesh Rajan along with the nature of expertise in specific functional areas, relationship with other Directors in the Company, his Directorships and Committee Memberships in listed entities and Shareholding are appended to the Notice.

The Board recommends the Ordinary Resolution at Item No.7 for the approval of the Members.

Except Mr Ramesh Rajan, being the appointee, 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.8

The Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Geeyes & Co., Cost Accountants as the Cost Auditors, to conduct the audit of the cost records of the Company relating to Pharmaceuticals, for the financial year ending 31st March, 2017.

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, 2017, 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.8 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 : May 30, 2016

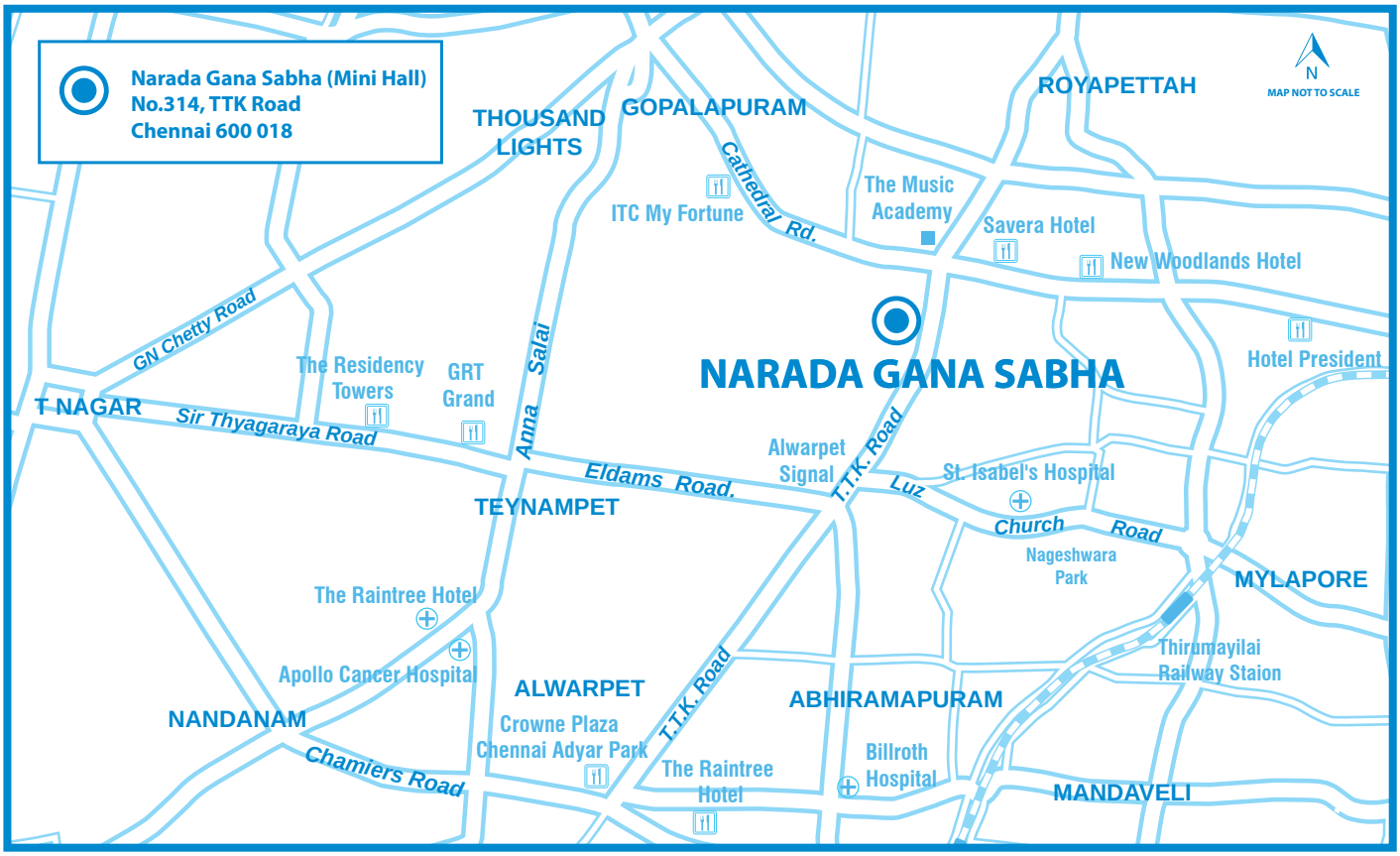
S KALYANARAMAN
Director & Wholetime Secretary

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

Route Map

ROUTE MAP TO THE VENUE OF THE FIFTY EIGHTH ANNUAL GENERAL MEETING

10.15 a.m. - 5th August, 2016



Directors' Report

(Including Management Discussion and Analysis Report)

Your Directors have pleasure in presenting the Fifty Eighth Annual Report together with the Audited Financial Statements for the financial year ended 31st March, 2016.

Financial Results:

				(Rs. in lakhs)
		2015-16		2014-15
Profit before Depreciation & Tax		4,273.45		3,247.44
Less : Depreciation		720.71		613.98
Profit before tax		3,552.74		2,633.46
Less : Provision for Tax				
Current Tax	1,002.00		1,090.00	
Deferred Tax	284.22	1,286.22	(72.06)	1,017.94
Profit after tax		2,266.52		1,615.52

Surplus Account:

Balance as per last Balance Sheet	6,377.83	5,382.92
Add: Profit for the year	2,266.52	1,615.52
Total	8,644.35	6,998.44
Less: Proposed Dividend	388.30	349.47
Provision for tax on Dividend	79.05	71.14
Amount transferred to General Reserve	400.00	200.00
Net Surplus	7,777.00	6,377.83

Review of Performance:

During the year under review, the revenue from operations amounted to Rs.518.86 crores as against the previous year figure of Rs.482.93 crores, a growth of around 7%. The Profit before tax includes a one-time / non-recurring income of Rs.3.93 crores earned from the product development trials conducted for a third party by the Foods Division of your Company.

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

Dividend:

Your Directors are pleased to recommend a dividend of Rs.5.00 (50%) per Equity Share of Rs.10/- each for the year ended 31st March, 2016 [Previous Year - Rs.4.50 (45%) per Equity Share].

Share Capital:

The paid up equity share capital as on 31st March, 2016 was Rs.776.60 lakhs. The Company has not issued any shares with differential voting rights nor granted stock options nor sweat equity.

MANAGEMENT DISCUSSION AND ANALYSIS:

(A) INDUSTRY STRUCTURE AND DEVELOPMENTS:

During the year 2015-16, the GDP growth was estimated at around 7.6% as against the previous year's growth of 7.2%, which is a positive development.

There was no major improvement in macroeconomic environment in the domestic markets and the global scenario continued to be depressed. Deficient monsoon in many parts of the country and unprecedented floods in certain pockets like Tamil Nadu had adverse impact on agricultural and rural economy.

The exports continue to be a major cause of concern. With global demand continuing to remain subdued, exports are unlikely to provide the much needed stimulus to growth.

The Indian Pharmaceutical Market (IPM) currently valued at 96,289 crores [MAT-DEC 15], grew by 14.4% as against the previous year's growth rate of 10.2%.

The growth was driven by (i) growth in volume of existing brands (6.9%); (ii) new introductions (2.8%); and (iii) price revisions (4.7%). Chronic Segment grew at 17.3% vis-à-vis the growth of 12.3% in Acute Segment. Therapeutic segments like anti-diabetic, cardiology, urology and derma reported healthy growth. (Source: Pharmatrac).

(B) OPPORTUNITIES AND THREATS:

Opportunities:

- Economic growth, rising incidence of chronic diseases, increase in healthcare access and expected growth in per capita income would drive further expansion of the healthcare segment. Therefore, there is opportunity for your Company to grow the Pharma 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 these are priced competitively, this segment provides opportunity for growth. The "Make in India" initiative by the Government would further enhance the growth prospect for this Segment. These products also have export potential.
- Considering the size of the market for food products, the Foods Business of your Company has potential for growth including branding / retail and export opportunities.

Threats:

- The Product Patent Regime has restricted the access for Indian Pharma Companies to the latest molecules which were earlier available. However, there may be opportunities to launch products that are out of patents regimentation.
- The Drugs Price Control may have an adverse impact on the sales / margins of Pharmaceutical Companies.
- The recent action by the Central Government for banning the Fixed Dose Combinations (FDCs) may also have its impact on the overall size / growth of the Pharma market.

(C) SEGMENTWISE PERFORMANCE:

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

A look at the performance of individual Business Segments:

Pharmaceutical Business:

The Ethical Pharma Business of your Company deals in Pharmaceutical Formulations both Herbal and Allopathic, in various therapeutic segments.

Directors' Report (Contd.)

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

During the year under review, EPD and Ventura Division reported a sales turnover of Rs.149.33 crores, with a marginal growth.

Attrition continues to be a cause of concern and your Company is taking every possible step to reduce the same.

The performance was also partly impacted due to regulatory constraints, political disturbances in Nepal and the banning of Fixed Dose Combinations by the Central Government.

Your Company, during the later part of the year had introduced a number of products in Anti-Ulcerant, Respiratory, Infertility and Gynaecology segments so as to consolidate its position in these therapeutic segments.

Initial performance suggests that these new products have been accepted well by the Doctors.

The strategy for 2016-17 would include enhanced focus on existing/ recently launched products, introduction of new products in select therapeutic segments and improving the productivity of the field team through training and developmental initiatives.

Animal Welfare Division (AWD)

During the year under review, the Animal Welfare Division reported a sales turnover of Rs.44.43 crores, with a robust growth.

All the three sub-divisions viz., Bovianim (Cattle), Gallus (Poultry) & Companim (Pet Animals) reported respectable growth with most core brands registering satisfactory growth.

The momentum in business growth has been sustained through optimizing customer coverage, focused product promotion and improved field operational effectiveness.

AWD has planned healthy growth in the current financial year as well and this would be achieved through high intensity campaigns, geographical expansion, enhanced customer coverage, enhanced focus on low yielding territories, product basket expansion, Farmer / Dairy / Core customer focused approach and through improved operational distinctiveness.

Consumer Products Business:

The Division reported a sales turnover of Rs.237.18 crores for the year, a modest performance, in an admittedly sluggish economic environment.

Though Woodwards Gripe Water (WGW) recorded a moderate growth in Southern markets, lack of growth in Northern markets weighed down the overall growth.

Deodorants, as a category, continued its declining trend @ 6% in volume (Women's Deo). Increased competitive spends and decline in market size made the growth very challenging. Despite the difficult market conditions, EVA maintained its leadership position in Women's Deo category.

The performance of Good Home Range has been satisfactory with a decent growth.

The Condom market picked up some pace and grew by 6%. Skore Condoms distributed by your Company too grew well and retained its position as the No.3 Brand in the market, with a share of around 9.5%.

Medical Devices Business:

Heart Valve Division

Your Company's Heart Valve Division reported a sales turnover of Rs.13.59 crores during the year under review. There has been a marginal increase in volumes compared to the previous year. The performance of this Division continues to be impacted due to stiff competition from imported valves through price cuts, etc. Efforts are made to increase the volumes.

The Vascular Graft and the Improved Heart Valve devices are ready for clinical trials, awaiting regulatory approval, which is expected to be received during the financial year 2016-17.

During the year under review, your Company has taken up the distribution of Bi-Leaflet Valves manufactured by CardiaMed, Netherlands. The registration for the import of Tissue Valves has been completed and the product would be launched shortly.

Ortho Division

During the year under review, Ortho Division reported a sales turnover of Rs.8.92 crores.

The Ortho Division reported a healthy growth due to a good number of new doctor conversions, aided by the recent addition of more products to the range.

Efforts are also made to further expand the customer base by strengthening the sales network and addition of new products both for domestic and overseas markets.

Foods Business:

During the year under review, the Foods Division achieved a sales turnover of Rs.60.69 crores, with a moderate growth.

The new manufacturing facility at Jaipur commenced commercial production during the Fourth Quarter. Your Company's sales and distribution network is being further strengthened so as to handle the additional volumes available from the Jaipur facility.

The state-of-the-art R&D Centre of the Foods Division has been upgraded with the imported pilot plant and machinery for carrying out R&D activities and the said facility has been duly recognised by the Department of Scientific and Industrial Research (DSIR).

Your Company has recently initiated steps for implementing Total Productive Maintenance (TPM) at both the Hosakote and Jaipur factories.

With the entry of new players, this segment is likely to see considerable competition in the coming months. Your Company would, therefore, clearly focus its efforts on differentiation through innovative products and marketing initiatives.

(D) OUTLOOK:

In view of the above developments and initiatives, the outlook for the Company as a whole for 2016-17 appears promising.

(E) RISKS AND CONCERNS:

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

Directors' Report (Contd.)

(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has necessary Internal Control Systems in place which is commensurate with the size, scale and complexity of its operations. Further, your Company has also retained the services of an outside expert, for carrying out a thorough study of the various existing internal financial control processes and their suggestions for further improvements are also being implemented. Internal Audits are regularly conducted through In-house Audit Department and also through External Audit Firms. The Reports are periodically discussed internally. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant audit observations and corrective actions thereon are presented to the Audit Committee.

(G) FINANCIAL PERFORMANCE:

(Rs. in lakhs)

	2015-16	2014-15
Revenue from Operations (Gross)	**51,909.51**	48,314.16
Less : Excise Duty relating to Sales	**22.96**	21.50
Revenue from Operations (Net)	**51,886.55**	48,292.66
Other Income	**559.21**	656.78
Total Income	**52,445.76**	48,949.44
Cost of Materials Consumed	**22,927.14**	21,944.78
Employee Benefits Expense	**8,141.85**	7,192.52
Other Expenses	**16,770.59**	16,200.47
Profit before Finance Cost and Depreciation	**4,606.18**	3,611.67
Finance Cost	**332.73**	364.23
Depreciation	**720.71**	613.98
Profit before Tax	**3,552.74**	2,633.46
Less: Provision for Tax		
Current Tax	**1,002.00**	1,090.00
Deferred Tax	**284.22**	(72.06)
Profit after Tax	**2,266.52**	1,615.52

ANALYSIS OF PERFORMANCE:

- Revenue from Operations registered a growth of about 7% as against the previous year's figure of about 16%, with a Profit before tax of Rs.35.53 crores. This includes a one-time / non-recurring income amounting to Rs.3.93 crores earned from the product development trials conducted for a third party by the Foods Division of your Company.
- During the year under review, Other Income stood at Rs.559.21 lakhs as against the previous year's figure of Rs.656.78 lakhs due to reduction in interest income on Fixed Deposits.
- Goods Consumption as a percentage of Revenue from Operations for the year works out to 44.19% as against the previous year's figure of 45.44%. The reduction is due to lower input costs and better product mix.
- The employee benefits expense was higher due to regular annual increments / revision in packages.
- The increase in Power and Fuel expenses was mainly on account of the commencement of commercial production at the Foods Division's new manufacturing facility at Jaipur during the Fourth Quarter of the year under review.
- The increase in Repairs and Maintenance expenses was mainly due to purchase of new dies for Foods Division and expenses incurred for renovating the Warehouses.
- The increase in Legal and Consultancy expenses was mainly on account of the expenses incurred towards consultations for strategy development and CE marking.
- The increase in R&D expenses represents the expenses incurred for various research and developmental activities undertaken at the Foods Division of the Company for the development of new recipes/ products.
- Depreciation was higher on account of the proportional depreciation charged in respect of assets capitalised at the new manufacturing facility at Jaipur from the date of commencement of operations.
- Lower provision for tax and higher deferred tax were due to the additional tax benefits availed (i) on the expenses incurred on in-house R&D at the Foods Division and (ii) in respect of new machinery installed and commissioned at the Foods Division's new manufacturing facility at Jaipur.
- The Fixed Assets mainly represents the additions–
  - (i) at Foods Division's new manufacturing facility at Jaipur relating to–
    - construction of Buildings (Rs.1061.24 lakhs);
    - purchase of Plant & Machinery (Rs.4158.71 lakhs);
    - purchase of Electrical Installations & Lift (Rs.140.16 lakhs); and
    - purchase of Fire Fighting Equipments (Rs.91.81 lakhs);
  - (ii) at Foods Division's R&D facility at Hosakote relating to–
    - construction of Buildings (Rs.57.01 lakhs); and
    - purchase of Plant & Machinery (Rs.179.93 lakhs)
  - (iii) of Leasehold residential flats at Mahindra World City (Rs.96.84 lakhs);
- The increase in Investments was due to investment of Rs.10 crores in Citicorp Finance (India) Limited by way of subscription to the issue of 1,000 Listed, Rated, Secured, Redeemable, Index Linked, Non-Convertible Debentures of face value of Rs.1,00,000/- each, having a maturity of 25 months, on private placement basis.
- The increase in Inventories is in line with the enhanced level of operations during 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 were no major overdue outstandings.
- The increase in Other Current Liabilities and Trade Payables is in line with the operations and there were no major overdue payments to any creditors.

Directors' Report (Contd.)

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

Human Resources:

Your Company attaches signif cant importance to continuous upgradation of Human Resources for achieving the highest levels of eff ciency, customer satisfaction and growth.

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

As on 31st March, 2016, the employee strength was 1817. (Previous Year – 1809).

Industrial Relations:

The industrial relations during the year under review continued to be cordial. The Directors place on record their sincere appreciation for the services rendered by employees at all levels.

Your Company entered into a long term wage settlement with the Medical Representatives Union of the Ethical Products Division and this will be in force for a period of three years from 1st January, 2015 to 31st December, 2017.

(I) INFORMATION TECHNOLOGY:

Oracle Process Manufacturing at the Foods Division of your Company at Jaipur went live during the Fourth Quarter of the year under review. E-Reporting System for the Field Staff has been fully implemented in Pharma Division.

(J) FUTURISTIC STATEMENTS:

This analysis may contain certain statements, which are futuristic in nature. Such statements represent the intentions of the management and the efforts being put in by them to realize certain goals. The success in realizing these goals depends on various factors, both internal and external. Therefore, the investors are requested to make their own independent judgments by taking into account all relevant factors before taking any investment decision.

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

(a) Extract of Annual Return:

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

(b) Number of Meetings of the Board:

The Board of Directors met 5 (five) times during the year 2015-16. The details of the Board Meetings and the attendance of the Directors are provided in the Report on Corporate Governance.

(c) Corporate Social Responsibility (CSR) Committee:

The Board reconstituted the Corporate Social Responsibility (CSR) Committee on 2nd November, 2015 and the Committee now consists of Mr T T Raghunathan as Chairman, Mr K Shankaran, Dr (Mrs) Vandana R Walvekar and Mr Girish Rao as Members. Mr S Kalyanaraman is the Secretary of the Committee.

The Corporate Social Responsibility (CSR) Policy enumerating the CSR activities to be undertaken by the Company, in accordance with Schedule VII to the Companies Act, 2013 was recommended to the Board and the Board adopted the same. The said policy was also made available on the website of the Company www.ttkhealthcare.com. The Annual Report on CSR Activities is annexed to this Report as **Annexure-2**.

The details relating to the meetings convened, etc., are furnished in the Report on Corporate Governance.

(d) Composition of Audit Committee:

The Board reconstituted the Audit Committee on 3rd February, 2016 with Mr Girish Rao as Chairman, Mr B N Bhagwat, Mr K Shankaran and Mr S Balasubramanian as Members. Mr S Kalyanaraman is the Secretary of the Committee. More details on the Committee are given in the Report on Corporate Governance.

(e) Related Party Transactions:

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

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

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

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

The details of the Related Party Transactions in Form AOC-2 are annexed as **Annexure-3** to this Report.

(f) Corporate Governance:

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

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

(g) Risk Management:

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

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

Your Company had engaged the services of an international consultant for further fine tuning the Risk Management framework and their Report highlighting the key risks was presented to the Board.

Directors' Report (Contd.)

In order to effectively implement the Risk Management Framework and to address the key risks highlighted in the above Report, a Risk Management Group (RMG) was constituted with due representation from each of the Businesses / Functions of your Company.

The Group continuously identifies the risks in relation to business strategy, operations and transactions, statutory / legal compliance, financial reporting, information technology system and overall internal control framework and updates the Board periodically.

(h) Directors and Key Managerial Personnel:

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

(i) Retirement / Cessation:

Dr K R Srimurthy, Independent Director resigned from the position with effect from 3rd November, 2015.

(ii) Appointment / Re-appointment of Directors:

(a) Pursuant to the provisions of Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Re gulation 25(6) of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company in their meeting held on 3rd February, 2016 filled the intermittent vacancy created by the resignation of Dr K R Srimurthy, with effect from 3rd November, 2015 by appointing Mr N Ramesh Rajan as an Independent Director of the Company, for a term of 5 years, with effect from 3rd February, 2016, subject to the approval of the Shareholders.

(b) Mr T T Jagannathan and Mr K Shankaran, liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

(c) The current contractual term of appointment of Mr T T Raghunathan as Executive Vice Chairman of the Company, expires on 31st October, 2016. The Board of Directors in their meeting held on 30th May, 2016 re-appointed him for a further period of 5 years, effective 1st November, 2016, subject to the approval of the Shareholders. Consequent to his re-appointment as Executive Vice Chairman, effective 1st November, 2016, he would continue to occupy the position of the Chief Executive Officer (CEO) (Key Managerial Personnel) of the Company.

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

All the Independent Directors of the Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The terms and conditions of appointment of the Independent Directors are posted on the website of the Company www.ttkhealthcare.com.

(iv) Key Managerial Personnel (KMP):

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

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

(v) Performance Evaluation of the Board, its Committees and the Directors and Separate meeting of Independent Directors:

In compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details relating to performance evaluation and separate meeting of the Independent Directors are given in the Report on Corporate Governance.

(vi) Remuneration Policy:

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

(i) Auditors:

(i) Statutory Auditors and their Report:

In accordance with the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s Aiyar & Co., Chartered Accountants, Chennai (Firm Regn. No.000063S) and M/s S Viswanathan LLP, Chartered Accountants, Chennai (Firm Regn. No. 004770S / S200025) were appointed as Statutory Auditors, for a term of three years to hold office from the conclusion of Fifty Sixth Annual General Meeting till the conclusion of Fifty Ninth Annual General Meeting, subject to ratification by the members at every Annual General Meeting.

Accordingly, a Resolution seeking members' ratification for their appointment from the conclusion of the ensuing Fifty Eighth Annual General Meeting till the conclusion of the Fifty Ninth Annual General Meeting of the Company is included under Item No.5 of the Notice convening the Annual General Meeting.

The Auditors' Report to the Shareholders for the year under review does not contain any qualifications

(ii) Cost Auditors and Cost Audit Report:

- **Appointment for the year 2016-17:**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Cost Records of the Company relating to "Drugs and Pharmaceuticals" are required to be audited, for the year 2016-17.

The Board of Directors, on the recommendation of the Audit Committee, appointed M/s Geeyes & Co. as Cost Auditors of the Company, for the financial year 2016-17 and fixed thei remuneration at Rs.3,50,000 plus service tax as applicable and reimbursement of travel and out-of-pocket expenses.

M/s Geeyes & Co., have confirmed that their appointment is within the limits prescribed under Section141 of the CompaniesAct, 2013

Directors' Report (Contd.)

and have also certified that they are free from any disqualification specified under the said Section

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

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, the ratification of the Members is sought by means of an Ordinary Resolution for the remuneration of Rs.3,50,000 plus service tax as applicable and reimbursement of travel and out-of-pocket expenses, payable to M/s Geeyes & Co., Cost Auditors, under Item No.8 of the Notice convening the Annual General Meeting.

The Cost Audit Report for the year ended 31st March, 2016 would be filed on or before the due date (i.e.) 2 th September, 2016.

- **Cost Audit Report for the year 2014-15:**

  The Cost Audit Report for the financial year ended 3 st March, 2015 was filed on 26th September, 2015 vide SRN S39570262 on the Ministry of Corporate Affairs website.

(iii) Secretarial Auditor and Secretarial Audit Report:

The Board had appointed Mr R Balasubramaniam, Company Secretary in Wholetime Practice, to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2015-16. The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report as **Annexure-4.** The Report does not contain any qualification or reservation or adverse remarks

(j) Transfer to Investor Education and Protection Fund:

Your Company has transferred a s um of Rs.5.21 lakhs during the financial year 2015-16 to the Investor Education and Protection Fund established by the Central Government, in compliance with Section 205C(2) of the Companies Act, 1956. The said amount represents the unclaimed dividends for the year ended 31st March, 2008, which were lying unclaimed with the Company for a period of seven years from the due date of payment.

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

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

(l) Conservation of Energy:

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

(m) Particulars of Employees:

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

(n) Subsidiary Company:

Your Company does not have any Subsidiary.

(o) Deposits:

As on 31st March, 2016, your Company was not holding any amount under Fixed Deposit Account.

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

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

During the year under review, your Company made an investment of Rs.10 crores in Citicorp Finance (India) Limited by way of subscription to the issue of 1,000 Listed, Rated, Secured, Redeemable, Index Linked, Non-Convertible Debentures of face value of Rs.1,00,000/- each, having a maturity of 25 months, on private placement basis.

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

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

(r) Whistle Blower Policy:

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

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

(s) 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 filed necessary petition with the Hon'ble High Court of Judicature at Madras for obtaining its sanction for the said Scheme of Amalgamation and the same is awaited.

Your Directors have also extended the time limit of the Scheme upto 31st March, 2017.

Necessary entries will be made in the books of accounts upon sanction of the Scheme.

Directors' Report (Contd.)

(t) Finance:

Your Company has availed Term Loan of Rs.20 crores from Commonwealth Bank of Australia. As per the terms of sanction, the first instalment of Rs.2 crores was repaid in December 2014 and during the year under review, the second instalment of Rs.3 crores has been repaid in December 2015. The balance amount of Rs.15 crores is due for repayment by November, 2016.

(u) Listing of Equity Shares:

Your Company's shares are listed with-

- BSE Limited (BSE), Mumbai; and
- National Stock Exchange of India Limited (NSE), Mumbai (Listed with effect from 2nd December, 2015).

The Listing Fees have been paid for the financial year 2016-17.

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

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

Your Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace and has constituted the Internal Complaints Committee (ICC) with an NGO as one of its Members. During the year 2015-16, there were no complaints. Further, adequate awareness programmes were also conducted for the employees of the Company.

(w) Directors' Responsibility Statement:

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby confirm that-

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- Appropriate accounting policies had been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year ended 31st March, 2016 and of the Profit of the Company for that period;
- Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts had been prepared on a going concern basis;
- The Internal Financial Controls had been laid down, to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- In order to ensure compliance with the provisions of all applicable laws, proper systems had been devised and that such systems were adequate and operating effectively.

General:

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

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

Acknowledgement:

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

For and on behalf of the Board

Place : Chennai
Date : May 30, 2016

T T JAGANNATHAN
CHAIRMAN

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

Annexure to the Directors' Report

ANNEXURE-1

Form No. MGT-9
Extract of Annual Return

As on the Financial Year Ended on 31st March, 2016

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

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

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Allopathic Medicines	3004 90 99	24.48
2.	Ayurvedic Medicines	3004 90 11	20.65
3.	Deodorants	3307 20 00	13.48
4.	Pappad	1905 90 40	11.78

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
	NONE				

IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual / HUF	9,26,835	–	9,26,835	11.94	9,26,835	–	9,26,835	11.94	–
(b)	Central Govt.	–	–	–	–	–	–	–	–	–
(c)	State Govt(s).	–	–	–	–	–	–	–	–	–
(d)	Bodies Corporate	10,080	–	10,080	0.13	10,080	–	10,080	0.13	–
(e)	Banks / FI	–	–	–	–	–	–	–	–	–
(f)	Any other – Partnership Firm	41,44,085	–	41,44,085	53.36	41,44,085	–	41,44,085	53.36	–
	Sub-Total (A)(1)	**50,81,000**	–	**50,81,000**	**65.43**	**50,81,000**	–	**50,81,000**	**65.43**	–
(2)	**Foreign**									
(a)	NRIs – Individuals	–	–	–	–	–	–	–	–	–
(b)	Other – Individuals	–	–	–	–	–	–	–	–	–
(c)	Bodies Corporate	–	–	–	–	–	–	–	–	–
(d)	Banks / FI	–	–	–	–	–	–	–	–	–
(e)	Any other	–	–	–	–	–	–	–	–	–
	Sub-Total (A)(2)	–	–	–	–	–	–	–	–	–
	Total Shareholding of Promoter (A) = (A)(1) + (A)(2)	**50,81,000**	–	**50,81,000**	**65.43**	**50,81,000**	–	**50,81,000**	**65.43**	–

Annexure to the Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	3,14,803	5,272	3,20,075	4.12	3,24,803	5,272	3,30,075	4.25	0.13
(b) Banks / FI	6,642	516	7,158	0.09	5,703	516	6,219	0.08	(0.01)
(c) Central Govt.	–	–	–	–	–	–	–	–	–
(d) State Govt(s).	–	–	–	–	–	–	–	–	–
(e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
(f) Insurance Companies	–	–	–	–	–	–	–	–	–
(g) FIIs	4,04,776	936	4,05,712	5.22	4,89,488	936	4,90,424	6.31	1.09
(h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
(i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-Total (B)(1)	**7,26,221**	**6,724**	**7,32,945**	**9.43**	**8,19,994**	**6,724**	**8,26,718**	**10.64**	**1.21**
(2) Non-Institutions									
(a) Bodies Corporate									
(i) Indian	79,753	10,829	90,582	1.17	75,017	10,629	85,646	1.10	(0.06)
(ii) Overseas	–	–	–	–	–	–	–	–	–
(b) Individuals									
(i) Individual Shareholders holding Nominal Share Capital upto Rs.1 lakh	7,35,368	4,32,985	11,68,353	15.04	7,51,008	4,13,669	11,64,677	15.00	(0.05)
(ii) Individual Shareholders holding Nominal Share Capital in excess of Rs.1 lakh	6,23,948	25,000	6,48,948	8.36	5,46,589	25,500	5,72,089	7.37	(0.99)
(c) Others (specify)									
(i) NRI	24,303	4,352	28,655	0.37	31,601	4,252	35,853	0.46	0.09
(ii) Qualified Foreign Investo	15,500	–	15,500	0.20	–	–	–	–	(0.20)
Sub-Total (B)(2)	**14,78,872**	**4,73,166**	**19,52,038**	**25.14**	**14,04,215**	**4,54,050**	**18,58,265**	**23.93**	**(1.21)**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**22,05,093**	**4,79,890**	**26,84,983**	**34.57**	**22,24,209**	**4,60,774**	**26,84,983**	**34.57**	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total (A+B+C)	**72,86,093**	**4,79,890**	**77,65,983**	**100.00**	**73,05,209**	**4,60,774**	**77,65,983**	**100.00**	–

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged / encumbered to Total Shares	
1.	M/s T T Krishnamachari & Co. represented by its Partners – Mr T T Jagannathan & Mr T T Raghunathan	41,44,085	53.36	–	41,44,085	53.36	–	–
2.	Mr T T Jagannathan	7,30,048	9.40	–	7,30,048	9.40	–	–
3.	Mr T T Raghunathan	9,547	0.12	–	9,547	0.12	–	–
4.	Mrs Stina Vasu	960	0.01	–	960	0.01	–	–
5.	Mrs Shanthi Ranganathan	58,360	0.76	–	58,360	0.76	–	–
6.	Mrs Latha Jagannathan	29,728	0.39	–	29,728	0.39	–	–
7.	Mrs Bhanu Raghunathan	56,000	0.72	–	56,000	0.72	–	–
8.	Mr T T Mukund	14,096	0.18	–	14,096	0.18	–	–
9.	Mr T T Lakshman	14,096	0.18	–	14,096	0.18	–	–
10.	Mr T T Venkatesh	14,000	0.18	–	14,000	0.18	–	–
11.	M/s TTK Prestige Limited	1,440	0.02	–	1,440	0.02	–	–
12.	M/s TTK Tantex Limited	8,640	0.11	–	8,640	0.11	–	–
	Total	**50,81,000**	**65.43**	–	**50,81,000**	**65.43**	–	–

Annexure to the Directors' Report (Contd.)

(iii)	Change in Promoters' Shareholding (please specify, if there is no change)				
Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of Total Shares of the Company	No. of Shares	% of Total Shares of the Company
1.	At the beginning of the year	No change during the year			
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.)				
3.	At the end of the year				

(iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):							
Sl. No.	Shareholder's Name	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	Axis Mutual Fund Trustee Ltd. a/c Axis Mutual Fund	3,14,803	4.05	01.04.2015	–	–	3,14,803	4.05
				17.04.2015	10,000	Transfer	3,24,803	4.18
		3,24,803	4.18	31.03.2016	–	–	3,24,803	4.18
2.	Vidhit K Tulshan	1,58,166	2.04	01.04.2015	–	–	1,58,166	2.04
				10.04.2015	(700)	Transfer	1,57,466	2.03
				24.04.2015	(200)	Transfer	1,57,266	2.03
				22.05.2015	(100)	Transfer	1,57,166	2.02
				26.06.2015	6,600	Transfer	1,63,766	2.11
				18.12.2015	1,834	Transfer	1,65,600	2.13
				25.12.2015	(175)	Transfer	1,65,425	2.13
				18.03.2016	893	Transfer	1,66,318	2.14
				25.03.2016	(50)	Transfer	1,66,268	2.14
		1,66,262	2.14	31.03.2016	(6)	Transfer	1,66,262	2.14
3.	National Westminster Bank PLC as Trustee of the Jupiter India Fund	1,38,285	1.78	01.04.2015	–	–	1,38,285	1.78
				12.06.2016	6,026	Transfer	1,44,311	1.86
		1,44,311	1.86	31.03.2016	–	–	1,44,311	1.86
4.	M/s Jupiter South Asia Investment Co. Ltd. a/c Jupiter South Asia Investment Company	1,31,491	1.69	01.04.2015	–	–	1,31,491	1.69
				12.02.2016	(6,026)	Transfer	1,25,465	1.62
		1,25,465	1.62	31.03.2016	–	–	1,25,465	1.62
5.	Alchemy India Long-term Fund Ltd.	1,35,000	1.74	01.04.2015	–	–	1,35,000	1.74
				17.04.2015	(2,152)	Transfer	1,32,848	1.71
				17.07.2015	5,272	Transfer	1,38,120	1.78
				30.10.2015	(16,117)	Transfer	1,22,003	1.57
				25.12.2015	(22,003)	Transfer	1,00,000	1.29
		1,00,000	1.29	31.03.2016	–	–	1,00,000	1.29
6.	Premier Investments Fund Limited	–	–	01.04.2015	–	–	–	–
				18.12.2015	20,408	Transfer	20,408	0.26
				25.12.2015	22,661	Transfer	43,069	0.55
				31.12.2015	4,708	Transfer	47,777	0.62
				01.01.2016	523	Transfer	48,300	0.62
				08.01.2016	31,900	Transfer	80,200	1.03
				29.01.2016	(731)	Transfer	79,469	1.02
		79,469	1.02	31.03.2016	–	–	79,469	1.02

Annexure to the Directors' Report (Contd.)

7.	Sarala Tulshan	76,757	0.99	01.04.2015	–	–	76,757	0.99
				10.04.2015	(257)	Transfer	76,500	0.99
				24.04.2015	(197)	Transfer	76,303	0.98
				22.05.2015	(107)	Transfer	76,196	0.98
				29.05.2015	(207)	Transfer	75,989	0.98
				26.06.2015	1,754	Transfer	77,743	1.00
				17.07.2015	(200)	Transfer	77,543	1.00
				14.08.2015	(48)	Transfer	77,495	1.00
				30.09.2015	(100)	Transfer	77,395	1.00
				09.10.2015	(50)	Transfer	77,345	1.00
				18.03.2016	896	Transfer	78,241	1.01
		78,241	1.01	31.03.2016	–	–	78,241	1.01
8.	Veena K Jagwani	75,000	0.97	01.04.2015	No change during the year		75,000	0.97
		75,000	0.97	31.03.2016			75,000	0.97
9.	Manoj Tulshan	67,732	0.87	01.04.2015	–	–	67,732	0.87
				19.02.2016	303	Transfer	68,035	0.88
		68,035	0.88	31.03.2016	–	–	68,035	0.88
10.	Mukul Mahavir Prasad Agrawal	–	–	01.04.2015	–	–	–	–
				11.12.2015	4,481	Transfer	4,481	0.06
				18.12.2015	43,070	Transfer	47,551	0.61
		47,551	0.61	31.03.2016	–	–	47,551	0.61

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

Sl. No.	For each of the Directors and KMP	Shareholding		Increase / (Decrease) in Shareholding			Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning (01.04.2015) / end of the year (31.03.2016)	% of Total Shares of the Company	Date	No. of Shares	Reason	No. of Shares	% of Total Shares of the Company
1.	Mr T T Jagannathan Chairman	7,30,048*	9.400	01.04.2015	No change during the year		7,30,048*	9.400
		7,30,048*	9.400	31.03.2016			7,30,048*	9.400
2.	Mr T T Raghunathan Executive Vice Chairman / Chief Executive Office	9,547*	0.123	01.04.2015	No change during the year		9,547*	0.123
		9,547*	0.123	31.03.2016			9,547*	0.123
3.	Mr R K Tulshan Director	220	0.003	01.04.2015	No change during the year		220	0.003
		220	0.003	31.03.2016			220	0.003
4.	Mr K Shankaran Director	247	0.003	01.04.2015	No change during the year		247	0.003
		247	0.003	31.03.2016			247	0.003
5.	Mr S Kalyanaraman Director & Wholetime Secretary	70	0.001	01.04.2015	No change during the year		70	0.001
		70	0.001	31.03.2016			70	0.001
6.	Mr B V K Durga Prasad Chief Financial Office	–	–	01.04.2015	–		–	–
		–	–	31.03.2016			–	–

*Held in his individual capacity.

Annexure to the Directors' Report (Contd.)

V.	INDEBTEDNESS				(in Rs.)
Indebtedness of the Company including interest outstanding / accrued but not due for payment:					
	Particulars	**Secured Loans excluding Deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year:					
(i)	Principal Amount	40,30,12,201	–	–	40,30,12,201
(ii)	Interest due but not paid	–	–	–	–
(iii)	Interest accrued but not due	–	–	–	–
Total (i)+(ii)+(iii)		40,30,12,201	–	–	40,30,12,201
Change in Indebtedness during the financial year:					
• Addition		–	–	–	–
• Reduction		3,34,80,871	–	–	3,34,80,871
Net Change		3,34,80,871	–	–	3,34,80,871
Indebtedness at the end of the financial year					
(i)	Principal Amount	36,95,31,330	–	–	36,95,31,330
(ii)	Interest due but not paid	–	–	–	–
(iii)	Interest accrued but not due	–	–	–	–
	Total (i)+(ii)+(iii)	**36,95,31,330**	–	–	**36,95,31,330**

VI.	REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):		
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager:		(in Rs.)
Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager Mr T T Raghunathan (Executive Vice Chairman) (01.04.2015 - 31.03.2016)	Total Amount
(1)	Gross Salary		
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	43,58,385	43,58,385
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	6,47,868	6,47,868
(c)	Profits in lieu of Salary u/s 17(3) of Income-tax Act, 196	–	–
(2)	Stock Option	–	–
(3)	Sweat Equity	–	–
(4)	Commission		
	• As % of Profi	–	–
	• Others, specify [Difference between 5% of the Profit and the amounts paid under (1) and (5)	65,86,903	65,86,903
(5)	Others, please specify (Productivity Incentive)	71,05,483	71,05,483
	Total (A)	**1,86,98,639**	**1,86,98,639**
Ceiling as per the Act		**Rs.3,74,61,636 (Being 10% of the Net Profit of the Company calculated as per Section 198 of the Companies Act, 2013)**	

Annexure to the Directors' Report (Contd.)

B.	Remuneration to Other Directors:							(in Rs.)
Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
(1)	Independent Directors	Dr K R Srimurthy	Mr B N Bhagwat	Dr (Mrs) Vandana R Walvekar	Mr Girish Rao	Mr S Bala-subramanian	Mr N Ramesh Rajan	
	• Fee for attending Board / Committee Meetings	30,000	95,000	15,000	1,15,000	40,000	20,000	3,15,000
	• Commission	–	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–	–
	Total (1)	**30,000**	**95,000**	**15,000**	**1,15,000**	**40,000**	**20,000**	**3,15,000**
(2)	Other Non-Executive Directors	Mr T T Jagannathan		Mr R K Tulshan		Mr K Shankaran		
	• Fee for attending Board / Committee Meetings	10,000		90,000		1,50,000		2,50,000
	• Commission	–		–		–		–
	• Others, please specify	–		–		–		–
	Total (2)	**10,000**		**90,000**		**1,50,000**		**2,50,000**
	Total (B) = (1) + (2)							**5,65,000***
	Total Managerial Remuneration (A) + (B)							**1,92,63,639**
	Overall ceiling as per the Act	**Rs.4,12,07,799 (Being 11% of the Net Profit of the Company calculated as per the Section 198 of the Companies Act, 2013)**						

* Exclusive of Service Tax

C.	Remuneration to Key Managerial Personnel (KMP) other than MD / WTD / Manager:			(in Rs.)
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr S Kalyanaraman Company Secretary	Mr B V K Durga Prasad Chief Financial Officer	
(1)	Gross Salary			
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	79,81,770	58,40,008	1,38,21,778
(b)	Value of perquisites u/s 17(2) of Income-tax Act, 1961	8,60,498	6,61,199	15,21,697
(c)	Profits in lieu of Salary u/s 17(3) of Income-tax Act, 196	–	–	–
(2)	Stock Option	–	–	–
(3)	Sweat Equity	–	–	–
(4)	Commission	–	–	–
	• As % of Profi	–	–	–
	• Others, specify	–	–	–
(5)	Others, please specify	–	–	–
	Total	**88,42,268@**	**65,01,207#**	**1,53,43,475**

@ Includes previous years' arrears of Rs.12,36,749

Includes previous years' arrears of Rs.7,39,945

Annexure to the Directors' Report (Contd.)

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

For and on behalf of the Board

Place: Chennai
Date : May 30, 2016

T T JAGANNATHAN
CHAIRMAN

Annexure to the Directors' Report (Contd.)

ANNEXURE-2

Annual Report on Corporate Social Responsibility (CSR) Activities

1. **A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:**

CSR PHILOSOPHY AND POLICY:

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

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

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

Weblink: www.ttkhealthcare.com.

2. **The Composition of the CSR Committee:**

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

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

Average Net Profit for the last three financial years 2012-13, 2013-14 and 2014-15 – Rs.22.54 crores

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

The Company is required to spend Rs.45.08 lakhs towards CSR activities.

Annexure to the Directors' Report (Contd.)

5. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: **Rs.45.08 lakhs**

(b) Amount unspent, if any: **NIL**

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

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local Area or other (2) specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in lakhs)	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overheads (Rs. in lakhs)	Cumulative expenditure upto the reporting period (Rs. in lakhs)	Amount spent: Direct or through implementing agency (Rs. in lakhs)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Implementation of Projects relating to animal welfare, protection of flora and fauna, ecological balance, etc.	Environment	Bandipur, Chamrajnagar, Karnataka	7.00	(1) 7.00 (2) –	7.00	7.00*
2.	Extending education and preventive medical treatment to the under developed sections of the Society	Education & Healthcare	Anaikatti, Coimbatore, Tamil Nadu	5.00	(1) 5.00 (2) –	5.00	5.00*
3.	Provision of mattresses and wheel chairs to the physically handicapped patients, braces to the Bone Cancer patients and other related activities at Government Taluk Hospital in Kadakkal, Trivandrum	Healthcare	Trivandrum, Kerala	3.00	(1) 3.00 (2) –	3.00	3.00*
4.	Provision of educational assistance / scholarships to needy and deserving students and also provision of medical relief to poor people.	Education & Healthcare	Chennai, Tamil Nadu	30.08	(1) 30.08 (2) –	30.08	30.08*
TOTAL AMOUNT = Rs.45.08 lakhs							

* Through Implementing Agency

Details of Implementing Agency:

1. Junglescapes, Bangalore 560 038
2. Bhuvana Foundation, Chennai 600 004
3. Nandalala Seva Samithi Trust, Trivandrum
4. Sri Venkateswara Trust, Chennai 600 086

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

Not Applicable

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

Responsibility Statement of the CSR Committee

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

T T Raghunathan
Executive Vice Chairman &
Chairman, CSR Committee

Annexure to the Directors' Report (Contd.)

ANNEXURE-3

Form No.AOC-2

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

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

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

Sl. No.	Particulars	Details
(a)	Name(s) of the Related Party and nature of relationship	Not Applicable
(b)	Nature of contracts / arrangements / transactions	
(c)	Duration of the contracts / arrangements / transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	
(e)	Justification for entering into such contracts or arrangements or transaction	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any	
(h)	Date on which the special resolution was passed in General Meeting as required under first provision to Section 18	

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

Sl. No.	Particulars	Details										
(a)	Name(s) of the Related Party and nature of relationship	TTK Prestige Limited			TTK Protective Devices Limited	T T Krishnamachari & Co.			Pharma Research & Analytical Laboratories		Packwell Packaging Products Ltd.	Mr T T Lakshman General Manager–Projects (Foods Division)
		Four of the Directors as Directors			Three of the Directors as Directors	Two of the Directors as Partners			One of the Directors and wife of one of the Directors as Partners		Two of the Directors as Shareholders	Son of the Chairman of the Company
(b)	Nature of contracts/ arrangements / transactions	Sale of Goods	Purchase of Promotional Items / Others	Receipt of Lease Rent	Purchase of Finished Goods	#Payment of Logo Charges	#Payment of Depot Service Charges	Payment of Rent	Receipt of Rent	#Payment of charges for Testing and Analytical Services	Payment of Rent	Employee – Payment of Salary
(c)	Duration of the contracts / arrangements / transactions	As and when need arises		01.04.1999 to 31.03.2029	01.07.2011 to 30.06.2016	01.11.2012 to 31.10.2017	09.08.2013 to 08.08.2018	01.04.2015 to 31.03.2018	01.03.2014 to 28.02.2017	01.07.2014 to 30.06.2019	01.06.2012 to 31.05.2017	w.e.f. 03.05.2010
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any.	As mutually agreed based on prevailing trade practices		Rs.100/- p.m.	As per Distribution Agreement with 15% Gross Margin & 75 days credit period	½% of Sales for using their monogram "ttk"	3% of Sales for availing their services as Clearing & Forwarding Agents.	As per rental Agreement	As per rental Agreement	Monthly lump sum payment with an appropriate increase every year	As per Rental Agreement	As per the terms of appointment
	Value (Rs.)	3,98,516	60,94,260	1,369	32,88,32,793	2,71,18,400	4,41,75,515	44,09,287	2,73,444	60,85,980	7,51,971	26,25,040
(e)	Date(s) of approval by the Board, if any	27.04.2015	27.04.2015	27.04.2015	24.05.2011	22.05.2012	01.02.2013	27.04.2015	27.04.2015	05.02.2014	27.04.2015	30.06.2009
(f)	Amount paid as advance, if any (Rs.)	–	–	–	–	–	–	20,00,000	–	–	5,50,000	–

Central Government approval under the earlier Companies Act, 1956 in place.

For and on behalf of the Board

Place: Chennai
Date : May 30, 2016

T T JAGANNATHAN
CHAIRMAN

Annexure to the Directors' Report (Contd.)

ANNEXURE-4

Form No.MR-3
Secretarial Audit Report
for the financial year ended 31st March, 2016

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by TTK HEALTHCARE LIMITED for the financial year ended on 3st March, 2016, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. The Company has no Overseas Direct Investment and External Commercial Borrowings.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15 May, 2015); and

(f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

(vi) With respect to the other laws applicable to the Company as stated in **Annexure B**, based on the written representations received from the officials executives of the Company, I state that there are adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance of such applicable laws, rules, regulations and guidelines.

I report that the provisions of the following regulations are not applicable to the Company during the reporting period;

(a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

I report that during the year under review, the securities of the Company were listed with National Stock Exchange of India Limited (NSE), with effect from 2nd December, 2015.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective 1st July, 2015).

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

I further report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that-

(a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

(b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision was carried through while there were no dissenting members.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the petition filed by the Company before the Hon'ble High of Judicature at Madras for 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 is pending for its approval / sanction.

I further report that during the audit period, there were no instances of:

(i) Public / Right / Preferential issue of Shares / Debentures / Sweat Equity, etc.

(ii) Redemption / Buy-back of securities.

(iii) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013 for disposal of undertaking.

(iv) Foreign technical collaborations.

R. Balasubramaniam
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

Place : Chennai
Date : May 09, 2016

This report is to be read with my letters of even date which is annexed as Annexure "A" and "B" and both the annexures form an integral part of this report.

Annexure to the Directors' Report (Contd.)

ANNEXURE - A

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

My report of even date is to be read along with this letter.

(1) Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.

(2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

(3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

(4) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.

(5) The compliances of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. My examination was limited to the verification of procedures on test basis

(6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

R. Balasubramaniam
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

Place : Chennai
Date : May 09, 2016

ANNEXURE - B

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

My report of even date is to be read along with this letter.

The internal system followed / adopted by the Company ensures the compliance of the provisions of the following acts, rules, regulations and guidelines:

(a) The Factories Act, 1948.
(b) Employees' State Insurance Act, 1948
(c) The Employees' Provident Fund and Misc. Provisions Act, 1952 and other labour related laws.
(d) Drug and Cosmetics Act, 1940 and Rules.
(e) The Environment (Protection) Act, 1986.
(f) The Water (Prevention and Control of Pollution) Act, 1974.
(g) The Air (Prevention and Control of Pollution) Act, 1981.
(h) Food Safety and Standards Act, 2006, Rules and Regulations thereunder.
(i) Legal Metrology Act, 2009 along with Packaged Commodities Rules, 2015.
(j) Indian Boiler Act, 1923 along with amended Act, 2007.
(k) Chennai City Municipal Corporation Act, 1919.
(l) Explosive Act, 1884 and the Rules, 2008
(m) The Petroleum Act, 1934 with Rules 2002.
(n) Indian Electricity Act, 2003 and Rules, 2005.

R. Balasubramaniam
Practising Company Secretary
FCS No. 2397 / C. P. No. 1340

Place : Chennai
Date : May 09, 2016

Annexure to the Directors' Report (Contd.)

ANNEXURE-5

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, etc.

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the financial year ended 31st March, 2016:

(A) Conservation of Energy:	
(i) Steps taken or impact on conservation of energy:	Majority of the Company's operations are not power-intensive except the Foods Manufacturing operations. Further, your Company outsources most of its products from Third Party Manufacturers. Nevertheless, steps are initiated to achieve possible improvements with reference to energy conservation. Your Company had commissioned a Briquette-based Boiler at Foods Division factory at Hosakote during the previous year for reducing the fuel cost at an investment of around Rs.62 lakhs. Similar Boiler has been recently commissioned at the Foods Division's new manufacturing facility at Jaipur at an investment of around Rs.46 lakhs.
(ii) Steps taken by the Company for utilizing alternate sources of energy:	
(iii) Capital Investment on energy conservation equipment:	
(B) Technology Absorption:	
(i) Efforts made towards technology absorption:	The technology relating to manufacture of Heart Valves and Orthopaedic Implants have been fully absorbed over the years. Further, a few new products have also been developed under Orthopaedic Segment. Efforts are also made to improve the various production processes. The state-of-the-art R&D Centre of the Foods Division has been upgraded with the imported pilot plant and machinery for carrying out R&D activities and the said facility has been duly recognised by the Department of Scientific and Industrial Research (DSIR). Further, the recognition granted to the in-house R&D facility at Pharma Division has also been renewed by DSIR. In pursuit of R&D endeavours, your Company is regularly incurring expenditure on R&D focusing on continuous improvement of existing products for enhanced efficacy and better acceptance by the customers and development and validation of new products using latest technology / processes. As a result of these initiatives, a number of new products / recipes have been developed and launched using the in-house R&D under the Pharma and Foods Divisions. The future plan of action would include developing innovative, differentiated and value added products, utilizing in-house R&D facility / expertise available with the Company, with an enhanced focus.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:	
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) Details of technology imported (b) Year of import (c) Whether the technology been fully absorbed (d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof	Not Applicable

Annexure to the Directors' Report (Contd.)

(iv) Expenditure incurred on Research and Development

		2015 – 16	2014 – 15
		Rs.	Rs.
(a)	Capital	2,36,94,279	–
(b)	Recurring	1,27,04,602	48,19,971
(c)	Total	3,63,98,881	48,19,971
(d)	% of R&D expenses to sales	0.71%	0.10%

(C) Foreign Exchange Earnings and Outgo:

(i) Actual Inflows:

	2015-16	2014-15
	Rs.	Rs.
Foreign Exchange Earnings:		
Exports (FOB)	4,38,30,014	3,31,62,397
Total	4,38,30,014	3,31,62,397

(ii) Actual Outflows:

	2015-16	2014-15
	Rs.	Rs.
Foreign Exchange Outgo:		
• Imports		
- Raw Materials	3,67,66,059	2,01,83,654
- Capital Goods	2,19,21,405	9,21,27,216
- Spares	44,54,715	1,30,395
• Royalty, Consultancy, Product Registration/ Promotion Expenses, Travelling, etc.	1,02,59,630	1,81,72,161
Total	7,34,01,809	13,06,13,426

For and on behalf of the Board
T T JAGANNATHAN
CHAIRMAN

Place: Chennai
Date : May 30, 2016

Annexure to the Directors' Report (Contd.)

ANNEXURE-6

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

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

Mr T T Raghunathan, Executive Vice Chairman 1:79

ii. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial yea

Name	Designation	Cost-to-Company (CTC) (Rs.)	% Increase / (Decrease) in CTC
Mr T T Raghunathan	Executive Vice Chairman	1,86,98,639	34.90%
Mr S Kalyanaraman	Director & Wholetime Secretary	88,42,268@	10.00%
Mr B V K Durga Prasad	Senior Vice President - Finance	65,01,207#	10.00%

@Includes previous years' arrears of Rs.12,36,749
#Includes previous years' arrears of Rs.7,39,945

iii. The percentage increase in the median remuneration of employees in the financial year

Around 12% (Excluding Unionized employees).

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

1817 employees

v. The explanation on the relationship between average increase in remuneration and Company performance:

The Company's Profit after Tax (PAT) has grown from Rs.16.16 crores to Rs.22.67 crores, an increase of 40.3% against which the average increase in remuneration is 12% and this increase is in line with the Remuneration Policy of the Company.

vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

The remuneration of Key Managerial Personnel for the year 2015-16 amounted to Rs.340.42 lakhs as against the profit after tax of Rs.2,266.52 lakhs. The compensation packages of the Key Managerial Personnel are commensurate with the qualification, experience and performance of the Managerial Personnel and in line with the industry practices.

vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentag increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year

Date	Issued Capital (No.of Shares)	Closing Market Price Per Share (Rs.)	EPS (Rs.)	PE Ratio	Market Capitalization (Rs. in crores)
31.03.2015	77,65,983	930.00	20.80	44.71	722.24
31.03.2016	77,65,983	925.00	29.19	31.69	718.35
Increase / (Decrease)	–	(5.00)	8.39	(13.02)	(3.89)
% of Increase / (Decrease)	–	(0.54%)	40.34%	(29.12%)	(0.54%)
Issue price of the share at the last Public Offer (IPO)	–	10.00	–	–	–
Increase in Market price as on 31.03.2016 as compared to Issue price of IPO	–	915.00	–	–	–
Increase in %	–	9150%	–	–	–

viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

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

ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Name	Designation	Cost-to-Company (CTC) (31.03.2016) (Rs.)	% Increase in CTC	PAT (Rs. in crores)	% Increase in PAT
Mr T T Raghunathan	Chief Executive Office	1,86,98,639	34.90%	22.66	40%
Mr S Kalyanaraman	Company Secretary	88,42,268@	10.00%		
Mr B V K Durga Prasad	Chief Financial Office	65,01,207#	10.00%		

@Includes previous years' arrears of Rs.12,36,749
#Includes previous years' arrears of Rs.7,39,945

x. Key parameters for any variable component of remuneration availed by the directors:

Except for Mr T T Raghunathan, Executive Vice Chairman and Mr S Kalyanaraman, Director & Wholetime Secretary, the other Directors of the Company were paid only sitting fees.

Annexure to the Directors' Report (Contd.)

xi. The variable component of remuneration is paid in the form of Commission / Productivity Incentive to Mr T T Raghunathan, as per the Remuneration Policy of the Company, as approved by the Board of Directors and the Shareholders.

xii. Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable.

xiii. Affirmation that the remuneration is as per the remuneration policy of the Company: Yes.

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

(i)	Name of the Employee	Mr T T Raghunathan			Mr S Kalyanaraman	Mr B V K Durga Prasad	Mr G Sreenivaasan
(ii)	Designation of the employee	Executive Vice Chairman			Director & Wholetime Secretary	Sr. Vice President - Finance	President – CPD
(iii)	Remuneration received	Rs.1,86,98,639			Rs.88,42,268[@]	Rs.65,01,207[#]	Rs.76,02,022[$]
(iv)	Nature of employment, whether contractual or otherwise	Contractual			Regular	Regular	Regular
(v)	Qualifications and experience of the employee	B.Com. with 43 years of experience.			B.Com., ACS., ACMA with 35 years experience	B.Com., ACA, Grad. CMA with 30 years experience	B.E., MBA with 30 years experience
(vi)	Date of commencement of employment	01.11.2001			05.10.1987	06.03.1986	14.12.2011
(vii)	Age of the employee	64 years			53 years	55 years	53 years
(viii)	Last employment held by such employee before joining the Company	Managing Director TTK Tantex Ltd.			Finance Manager & Company Secretary TT Maps & Publications Ltd.	N.A.	VP – Marketing EID Parry (India) Ltd.
(ix)	Percentage of Equity Shares held by the Employee in the Company		No. of Shares	% of Total Shares	70 Shares (0.001%)	NIL	NIL
		In his own capacity	9,547	0.12			
		Held jointly with Mr T T Jagannathan in his capacity as Partner of M/s T T Krishnamachari & Co.	41,44,085	53.36			
		Held by his wife	56,000	0.72			
(x)	Whether any such employee is a relative of any Director or Manager of the Company and if so, name of such Director or Manager	Brother of Mr T T Jagannathan, Chairman			No	No	No

[@]Includes previous years' arrears of Rs.12,36,749
[#]Includes previous years' arrears of Rs.7,39,945
[$]Includes previous years' arrears of Rs.12,32,239

For and on behalf of the Board

Place: Chennai
Date : May 30, 2016

T T JAGANNATHAN
CHAIRMAN

Report on Corporate Governance

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

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

It is the philosophy of the Board that the Company continues to follow fair business and organizational practices to 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:

Composition and Category of Directors:

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

The Board consists of ten Directors, as detailed below:

Category		Name of Director / Position
Promoter	Non-Executive	Mr T T Jagannathan / Chairman
	Executive	Mr T T Raghunathan / Executive Vice Chairman
Non-Independent	Non-Executive	Mr R K Tulshan
		Mr K Shankaran
		Mr S Kalyanaraman / Director & Wholetime Secretary
Independent	Non-Executive	Mr B N Bhagwat
		Dr (Mrs) Vandana R Walvekar
		Mr Girish Rao
		Mr S Balasubramanian
		Mr N Ramesh Rajan

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

Name of the Director	Date of the Board Meetings and Attendance					Date of the last AGM & Attendance
	27.04.2015	21.05.2015	07.08.2015	02.11.2015	03.02.2016	07.08.2015
Mr T T Jagannathan	LOA	✓	LOA	✓	LOA	LOA
Mr T T Raghunathan	✓	✓	✓	✓	✓	✓
Mr R K Tulshan	✓	✓	✓	✓	✓	✓
Dr K R Srimurthy (Resigned w.e.f. 03.11.2015)	✓	LOA	✓	✓	N.A.	✓
Mr B N Bhagwat	✓	✓	LOA	✓	✓	LOA
Mr K Shankaran	✓	✓	✓	✓	✓	✓
Dr (Mrs) Vandana R Walvekar	✓	✓	LOA	✓	LOA	LOA
Mr Girish Rao	✓	✓	✓	LOA	✓	✓
Mr S Balasubramanian	✓	✓	✓	✓	✓	✓
Mr N Ramesh Rajan (Appointed w.e.f. 03.02.2016)	N A	N A	N.A.	N.A.	✓	N A
Mr S Kalyanaraman	✓	✓	✓	✓	✓	✓

LOA - Leave of absence

N.A. - Not applicable

No. of Other Board of Directors or Committees in which the Company Directors are Members / Chairman:

Name of the Director	No. of Other Directorships & Committee Memberships / Chairmanships		
	Other Directorships	Committee Memberships	Committee Chairmanships
Mr T T Jagannathan	4	-	-
Mr T T Raghunathan	4	-	-
Mr R K Tulshan	2	-	-
Dr K R Srimurthy (Retired w.e.f. 03.11.2015)	-	-	-
Mr B N Bhagwat	-	-	-
Mr K Shankaran	1	1	-
Dr (Mrs) Vandana R Walvekar	1	-	-
Mr Girish Rao	2*	-	-
Mr S Balasubramanian	7	6	3
Mr N Ramesh Rajan	1	-	2
Mr S Kalyanaraman	1	-	-

*Include Directorship of one Overseas Entity.

Notes:

- Other Directorships do not include Private Companies.
- Chairmanship / Membership of the Audit Committee and the Stakeholders Relationship Committee alone was considered for the purpose of reckoning the limit of Chairmanship / Membership of the Board level Committees.
- None of the Directors is a member of more than 10 Board-level Committees of Public Limited Companies or is a Chairman of more than 5 such Committees.

Board Meetings held during the year 2015-16 and its dates:

During the year under review, the meetings of the Board of Directors were held **five (5) times,** on the following dates and conform to the Regulation 17(2) of the SEBI (LODR) Regulations, 2015:

27th April, 2015
21st May, 2015
7th August, 2015
2nd November, 2015
3rd February, 2016

The Company placed before the Board the Annual Plans and Budget, Capital Budget, Performance of the various Divisions, Unaudited Quarterly Financial Results, Audited Annual Financial Results and various other information / details, as specified under Schedule II Part A of the SEBI (LODR) Regulations, 2015, from time to time.

Disclosure of relationships between Directors inter se:

None of the Directors is related to any other Directors / Key Managerial Personnel of the Company except Mr T T Jagannathan and Mr T T Raghunathan who are brothers.

No. of Shares and Convertible Instruments held by Non-Executive Directors:

Names of the Non-Executive Director	No. of Equity Shares held
Mr T T Jagannathan	7,30,048
Mr R K Tulshan	220
Mr B N Bhagwat	–
Mr K Shankaran	247
Dr (Mrs) Vandana R Walvekar	–
Mr Girish Rao	–
Mr S Balasubramanian	–
Mr N Ramesh Rajan	–
Mr S Kalyanaraman	70

Report on Corporate Governance (Contd.)

Separate Meeting of Independent Directors:

As stipulated under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (LODR) Regulations, 2015, the Independent Directors met once during the year. Amongst other matters, they reviewed the performance of Non-Independent Directors and the Board as a w hole; reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors; and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarization Programmes imparted to Independent Directors:

Pursuant to Regulation 25(7) of the SEBI (LODR) Regulations, 2015, familiarization programmes to Independent Directors of the Company, on the nature of the industry and the business model of the Company, roles, rights and responsibilities of the Independent Directors and other relevant information were conducted periodically.

A briefing was done to the Board of Directors at its meeting held on 2nd November, 2015, in connection with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, highlighting the important principles governing the obligations and disclosure requirements and also the responsibilities / functions of the Board of Directors.

Your Company has the following process for induction and training of Board Members:

- Discussing with Independent Directors and ascertaining their further training/ updating needs and arranging programmes outside the Company and arranging presentation by experts in the field.
- A detailed induction programme is in place to familiarize the new directors of the entire operations of the Company. The programme includes presentations by various business / functional heads.
- Visit to the manufacturing units of the Company is also arranged based on their request.

Details regarding familiarization programme are provided in Company's website www.ttkhealthcare.com.

Further, at the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/her role, function, duties and responsibilities as a director. The terms and conditions of the appointment of Independent Director is available on our website – www.ttkhealthcare.com.

AUDIT COMMITTEE:

Terms of Reference:

As per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) of & Schedule II – Part C to the SEBI (LODR) Regulations, 2015, the brief terms of reference of the Audit Committee of the Company, *inter alia* include-

- The recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Review with the management the quarterly financial statements and the annual financial statements and the auditors' report thereon, before submission to the Board for approval.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Monitoring the end use of funds raised through public offers and related matters.

Composition, Name of the Members and Chairperson:

The Audit Committee of the Company was reconstituted on 3rd February, 2016, consequent to the resignation of a member.

The composition of the Committee is in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulations, 2015, as detailed below:

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

Meetings and Attendance during the year 2015-16:

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

Name of Director	Date of the Meetings and Attendance				
	27.04.2015	21.05.2015	06.08.2015	02.11.2015	03.02.2016
Mr Girish Rao	✓	✓	✓	LOA	✓
Mr B N Bhagwat	✓	✓	LOA	✓	✓
Dr K R Srimurthy (Resigned w.e.f. 03.11.2015)	✓	LOA	✓	✓	N.A.
Mr K Shankaran	✓	✓	✓	✓	✓
Mr S Balasubramanian (Inducted as a Member w.e.f. 03.02.2016)	N.A.	N.A.	N.A.	N.A.	N.A.

LOA - Leave of absence
N.A. - Not applicable

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

NOMINATION AND REMUNERATION COMMITTEE:

Terms of reference:

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

Report on Corporate Governance (Contd.)

- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Composition, Name of Members and Chairperson:

The Nomination & Remuneration Committee was reconstituted on 2nd November, 2015, consequent to the resignation of a member.

The composition of the Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19(1) of the SEBI (LODR) Regulations, 2015, as detailed below:

Name of Director	Position	Category
Mr B N Bhagwat	Chairman	Non-Promoter / Non-Executive / Independent
Mr R K Tulshan	Member	Non-Promoter / Non-Executive / Non-Independent
Mr K Shankaran	Member	Non-Promoter / Non-Executive / Non-Independent
Dr (Mrs) Vandana R Walvekar	Member	Non-Promoter / Non-Executive / Independent
Mr S Kalyanaraman	Secretary	–

Meeting and Attendance:

During the year under review, the Committee met twice, as detailed below, to consider and recommend to the Board the appointment of Mr S Kalyanaraman as a Director and Mr N Ramesh Rajan as an Independent Director, as per the provisions of the Companies Act, 2013 and the Rules made thereunder.

Name of Director	Date of the Meetings and Attendance	
	21.05.2015	03.02.2016
Mr B N Bhagwat	✓	✓
Mr R K Tulshan	✓	✓
Dr K R Srimurthy	LOA	N.A.
Mr K Shankaran	✓	✓
Dr (Mrs) Vandana R Walvekar	N.A.	LOA

LOA - Leave of absence
N.A. - Not applicable

Performance Evaluation criteria for Independent Directors:

During the year under review, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues, etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance at Board Meetings and General Meetings; participation in Board proceedings; independence and candidness shown at meetings; clarity and objectiveness in expressing views at meetings; awareness of governance code, compliance requirements, risk framework, etc.; interactions with other Directors / Senior Management during and outside meetings; keenness to continuously familiarize with the industry and the Company; etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the outcome of the evaluation, which reflected the overall engagement of the Board and its Committees with the Company.

REMUNERATION OF DIRECTORS:

Your Company adopted a Policy relating to selection, remuneration and evaluation of Directors and Senior Management. The said Policy was made available on the website of the Company www.ttkhealthcare.com.

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

Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors are paid Sitting Fees of Rs.20,000/- per meeting, effective 3rd February, 2016 (previously Rs.5,000/- per meeting) attended by them for the Board Meetings and the Committee Meetings. No other payment is made to the Non-Executive Directors. This information has been posted in the website of the Company www.ttkhealthcare.com.

Disclosure with respect to remuneration paid to Mr T T Raghunathan, Executive Vice Chairman (CEO) of the Company for the year 2015-16:

Particulars of Remuneration	
Salary (Rs.)	24,00,000
Benefits	
HRA & Other Allowances (Rs.)	14,92,669
Contribution to PF & Other Funds (Rs.)	8,03,465
Commission (Rs.)	65,86,903
Fixed Component	–
Performance Linked Incentives along with Performance Criteria (Rs.)	71,05,483
Performance Criteria	Productivity Linked
Others (Rs.)	3,10,119
Service Contract	5 years (w.e.f. 01.11.2011)
Notice Period	6 months
Severance Fees	Yes. As per Section 202 of the Companies Act, 2013
Pension	–
Stock Option	–
Total (Rs.)	1,86,98,639

Your Company currently does not have Stock Options Scheme.

The managerial remuneration paid to the Wholetime Director of the Company is in line with the provisions of Section 197 and other applicable provisions, if any, of and Schedule V to the Companies Act, 2013 and the Rules made thereunder.

STAKEHOLDERS RELATIONSHIP COMMITTEE:

Composition, Name of Members and Chairperson:

The composition of the Stakeholders Relationship Committee is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (LODR) Regulations, 2015, as detailed below:

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

Report on Corporate Governance (Contd.)

Name and Designation of Compliance Officer:

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

Details of Shareholders' Complaints received during the year 2015-16

Nature of Complaints	Complaints received during the year 2015-16	Not solved to the satisfaction of the Shareholders	Pending Complaints
Non-receipt of Dividends	7	–	–
Non-receipt of Shares sent for transfer/transmission	1	–	–
Non-receipt of Annual Report	–	–	–
Others	–	–	–
Total	8	–	–

GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue	No. of Special Resolutions passed
2013	25th 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
2014	22nd August, 2014	10.15 a.m.	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	3
2015	7th August, 2015	10.15 a.m	The Music Academy Kasturi Srinivasan Hall (Mini Hall) New No.168, (Old No.306) TTK Road, Chennai 600 014	–

Special Resolutions passed through Postal Ballot and details of Voting Pattern:

No Special Resolutions were passed through Postal Ballot during the year 2015-16.

Passing of Special Resolutions through Postal Ballot during the year 2016-17:

There is no such proposal as of now. In case, any special resolution needs to be passed through Postal Ballot during the year 2016-17, the procedure laid down under Section 110 of the Companies Act, 2013 and the Rules thereunder will be complied with.

MEANS OF COMMUNICATION:

- The Unaudited Financial Results for every Quarter and the Annual Audited Financial Results of the Company, in the prescribed 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 posted on the Company's website www.ttkhealthcare.com and also on the website of the BSE Limited and National Stock Exchange of India Limited.
- All the Official news releases are disseminated on the website of the Company.
- The presentations made to institutional investors or to the analysts are posted on the website of the Company.

GENERAL SHAREHOLDERS INFORMATION:

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

Date : 5th August, 2016
Day : Friday
Time : 10.15 a.m.
Venue : Narada Gana Sabha (Mini Hall), No.314, TTK Road, Chennai 600 018.

(b) Particulars of Financial Calendar:

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

(c) Dividend Payment Date:

The Dividend for the financial year 2015-16, if declared by the Shareholders in this meeting, would be paid on or before 25th August, 2016.

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

(i)	BSE Limited (BSE)	Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street, Mumbai 400 001
(ii)	National Stock Exchange of India Limited (NSE) (Listed w.e.f. 2nd December, 2015)	Exchange Plaza Bandra Kurla Complex Bandra East, Mumbai 400 051

The listing fees have been paid for the financial year 2016-17

(e) Stock Code:

BSE	507747
NSE	TTKHLTCARE
ISIN	INE910C01018

(f) Market Price Data:

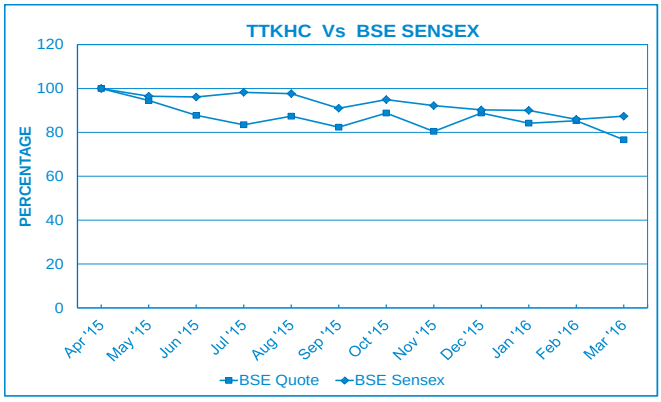
Month	BSE (2015-16)			BSE (2014-15)		
	High Rs.	Low Rs.	Volume No. of Shares	High Rs.	Low Rs.	Volume No. of Shares
April	**1,259.00**	**930.00**	**57,451**	563.45	507.00	31,821
May	**1,190.00**	**974.25**	**24,828**	650.00	499.05	84,299
June	**1,105.00**	**850.00**	**15,022**	758.00	556.10	2,39,063
July	**1,051.00**	**860.25**	**34,901**	708.00	611.00	64,906
August	**1,100.00**	**895.75**	**43,464**	760.00	586.00	1,54,799
September	**1,037.00**	**890.25**	**12,014**	932.85	707.00	2,45,987
October	**1,118.00**	**880.00**	**30,030**	870.80	723.50	50,489
November	**1,013.00**	**921.00**	**17,386**	848.00	710.00	49,398
December	**1,118.25**	**928.00**	**38,358**	908.80	750.00	91,708
January	**1,060.00**	**871.00**	**8,984**	890.00	781.65	56,310
February	**1,074.00**	**838.00**	**15,263**	1,118.00	850.00	76,245
March	**964.75**	**875.00**	**8,874**	1,065.00	875.25	26,804

Report on Corporate Governance (Contd.)

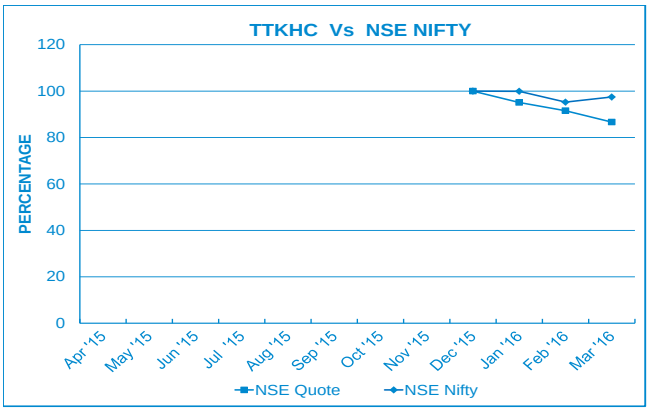
Month	NSE (2015-16)		
	High	Low	Volume
	Rs.	Rs.	No. of Shares
December	1,124.00	889.00	51,280
January	1,069.00	856.60	72,031
February	1,029.00	805.50	30,372
March	974.00	861.10	7,883

(g) Performance comparison to BSE Sensex and Nifty:

STOCK PERFORMANCE Vs BSE SENSEX				
APRIL 2015 - MARCH 2016				
Month	BSE Quote (High)	% to Base	BSE Sensex (High)	% to Base
Apr 2015	1,259.00	100	29,094.61	100
May 2015	1,190.00	95	28,071.16	96
Jun 2015	1,105.00	88	27,968.75	96
Jul 2015	1,051.00	83	28,578.33	98
Aug 2015	1,100.00	87	28,417.59	98
Sep 2015	1,037.00	82	26,471.82	91
Oct 2015	1,118.00	89	27,618.14	95
Nov 2015	1,013.00	80	26,824.30	92
Dec 2015	1,118.00	89	26,256.42	90
Jan 2016	1,060.00	84	26,197.27	90
Feb 2016	1,074.00	85	25,002.32	86
Mar 2016	964.75	77	25,424.15	87



STOCK PERFORMANCE Vs NSE NIFFTY				
APRIL 2015 - MARCH 2016				
Month	NSE Quote (High)	% to Base	NSE Niffty (High)	% to Base
Apr 2015	–	–	–	–
May 2015	–	–	–	–
Jun 2015	–	–	–	–
Jul 2015	–	–	–	–
Aug 2015	–	–	–	–
Sep 2015	–	–	–	–
Oct 2015	–	–	–	–
Nov 2015	–	–	–	–
Dec 2015	1,124.00	100	7,979.30	100
Jan 2016	1,069.00	95	7,972.55	100
Feb 2016	1,029.00	92	7,600.45	95
Mar 2016	974.00	87	7,777.60	97



(h) Suspension of Securities from trading by Directors – Not applicable

(i) Registrars & Share Transfer Agents:

M/s Data Software Research Co. Pvt. Ltd.
No.19, Pycrofts Garden Road
Off. Haddows Road, Nungambakkam
Chennai 600 006
Tel : (91) (44) 28213738 / (91) (44) 28214487
Fax: (91) (44) 28214636
E-mail: ttk.healthcare@dsrc.cid.in

(j) 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, 2016, no Equity Shares were pending for transfer.

(k) Distribution of Shareholding as on 31st March, 2016:

Shareholding of Nominal Value of	Number of Shareholders		% to Number of Shareholders		Share Amount		% to Total	
	Physi-cal	Elec-tronic	Physi-cal	Elec-tronic	Physical	Electronic	Physi-cal	Elec-tronic
Rs.					Rs.	Rs.		
1	2	3	4	5	6	7	8	9
Upto - 5000	5,549	6,309	45.682	51.939	36,97,790	43,20,460	4.761	5.563
5001 - 10000	20	120	0.165	0.988	1,37,910	9,12,620	0.178	1.175
10001 - 20000	14	49	0.115	0.404	1,82,440	7,16,450	0.235	0.922
20001 - 30000	3	16	0.025	0.132	72,000	4,06,560	0.093	0.524
30001 - 40000	1	8	0.008	0.066	33,600	2,94,750	0.043	0.380
40001 - 50000	1	7	0.008	0.057	43,000	3,39,020	0.055	0.437
50001 - 100000	2	14	0.017	0.115	1,91,000	11,27,950	0.246	1.452
100001 & Above	1	33	0.008	0.272	2,50,000	6,49,34,280	0.322	83.614
Total	**5,591**	**6,556**	**46.028**	**53.972**	**46,07,740**	**7,30,52,090**	**5.933**	**94.067**
Grand Total	**12,147**		**100.000**		**7,76,59,830**		**100.000**	

Report on Corporate Governance (Contd.)

Categories of Equity Shareholders as on 31st March, 2016:

Cate-gory	Category of Shareholder	No. of Share-holders	No. of Shares held	Shareholding as a % of total number of shares	No. of Equity Shares held in Dematerialized Form
(A)	**Promoter & Promoter Group**				
(1)	**Indian**				
(a)	Individuals / Hindu Undivided Family	9	9,26,835	11.93	9,26,835
(b)	Central Government / State Government(s)	–	–	–	–
(c)	Financial Institutions / Banks	–	–	–	–
(d)	Any other (specify)				
	(i) Partnership Firm	1	41,44,085	53.36	41,44,085
	(ii) Bodies Corporate	2	10,080	0.13	10,080
	Sub-Total (A)(1)	**12**	**50,81,000**	**65.43**	**50,81,000**
(2)	**Foreign**				
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	–	–	–	–
(b)	Government	–	–	–	–
(c)	Institutions	–	–	–	–
(d)	Foreign Portfolio Investor	–	–	–	–
(e)	Any other (specify)	–	–	–	–
	Sub-Total (A)(2)	–	–	–	–
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**12**	**50,81,000**	**65.43**	**50,81,000**
(B)	**Public**				
(1)	**Institutions**				
(a)	Mutual Funds	7	3,30,075	4.25	3,24,803
(b)	Venture Capital Funds	–	–	–	–
(c)	Alternate Investment Funds	–	–	–	–
(d)	Foreign Venture Capital Investors	–	–	–	–
(e)	Foreign Portfolio Investors	–	–	–	–
(f)	Financial Institutions / Banks	7	6,219	0.08	5,703
(g)	Insurance Companies	–	–	–	–
(h)	Provident Funds / Pension Funds	–	–	–	–
(i)	Any other (please specify)				
	(i) Foreign Institutional Investors	9	4,90,424	6.32	4,89,488
	Sub Total (B)(1)	**23**	**8,26,718**	**10.65**	**8,19,994**
(2)	**Central Government / State Government(s) / President of India**	–	–	–	–
	Sub Total (B)(2)	–	–	–	–
(3)	**Non-Institutions**				
(a)	Individuals -				
(i)	Individual Shareholders holding nominal share capital upto Rs.2 lakhs.	11,712	11,64,677	15.00	7,51,008
(ii)	Individual Shareholders holding nominal share capital in excess of Rs.2 lakhs	9	5,72,089	7.37	5,46,589
(b)	NBFCs registered with RBI	–	–	–	–
(c)	Employee Trusts	–	–	–	–
(d)	Overseas Depositories (holding DRs) (balancing figure	–	–	–	–
(e)	Any other (specify)				
	Bodies Corporate	224	85,646	1.10	75,017
	Non-Resident Indians	167	35,853	0.46	31,601
	Sub-Total (B)(3)	**12,112**	**18,58,265**	**23.93**	**14,04,215**
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	**12,135**	**26,84,983**	**34.57**	**22,24,209**
	Total (A+B)	**12,147**	**77,65,983**	**100.00**	**73,05,209**

Note:

Indian Promoters include M/s T T K rishnamachari & C o., represented by its Partners and constituents of TTK Group. The constituents of TTK Group include M/s T T Krishnamachari & Co., M/s TTK Prestige Limited, M/s TTK Tantex Limited and Partners & Relatives of the Partners of M/s T T Krishnamachari & Co.

Dematerialization of Shares and Liquidity as on 31st March, 2016:

	No. of Shareholders	No. of Shares	% of Shares
No. of Shareholders in Physical Mode	5,591	4,60,774	5.93
No. of Shareholders in Electronic Mode	6,556	73,05,209	94.07
Total	**12,147**	**77,65,983**	**100.00**

Days taken for Dematerialization	No. of Requests	No. of Shares	% of Shares
15 days	194	19,116	0.25

Particulars	National Securities Depository Limited (NSDL)		Central Depository Services (I) Limited (CDSL)	
	2015-16	2014-15	2015-16	2014-15
No. of Shares Dematerialized	**11,831**	14,568	**7,285**	7,754
No. of Shares Rematerialized	–	–	–	–

(l) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments:

The Company has not issued any GDRs / ADRs / Warrants or Convertible Instruments.

(m) Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

Report on Corporate Governance (Contd.)

(n) Plant Locations:

Pharma Division:
No.5, Old Trunk Road
Pallavaram
Chennai 600 043
Tamil Nadu

Heart Valve Division:
Site No.A28,
KINFRA International Apparel Parks Ltd.
St. Xavier's College P.O., Thumba
Trivandrum 695 586, Kerala

Ortho Division:
(a) No.290, SIDCO Industrial Estate
Ambattur
Chennai 600 098
Tamil Nadu

(b) No.3, Thiruneermalai Main Road
Chromepet
Chennai 600 044
Tamil Nadu

Foods Division:
(a) No.2-B, Hosakote Industrial Area
8th km, Hosakote Chinthamani Road
Hosakote Taluk, Bangalore 562 114
Karnataka

(b) Plot No.DTA-005-005
Mahindra World City
Tehsil Sanganer, Jaipur 302 037
Rajasthan

(o) Address for Correspondence:

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

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

OTHER DISCLOSURES:

Related Party Disclosure:

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

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

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

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

The Policy on Related Party Transactions, as approved by the Board of Directors, is uploaded on the Company's website www.ttkhealthcare.com.

Since the Company does not have any subsidiary, policy for determining 'material' subsidiaries is not applicable.

The details of the Related Party Transactions in Form AOC-2 are annexed as **Annexure 3** to the Directors' Report (Please refer Page No.27 of this Annual Report).

The particulars of transactions between the Company and its related parties as per Accounting Standard 18 (AS-18) are set out in Page No.69 of this Annual Report.

Non-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.

Establishment of Vigil Mechanism / Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

In accordance with the provisions of Section 177(9) of the Companies Act, 2013 and the Rules made thereunder and also Regulation 22 of the SEBI (LODR) Regulations, 2015, your Company established a vigil mechanism termed as Whistle Blower Policy, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Corporate Governance Officer / Chairman of the Audit Committee / Executive Vice Chairman in exceptional cases.

The Whistle Blower mechanism is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

The Whistle Blower Policy is available on the website of the Company www.ttkhealthcare.com.

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

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

NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT:

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

DISCLOSURE RELATING TO ADOPTION OF DISCRETIONARY REQUIREMENTS:

(a) The Board:
No reimbursement of expenses is made to the Non-Executive Chairman in connection with the maintenance of his office

(b) Shareholders Right:
The Company does not mail the Unaudited Half-yearly Financial Results individually to its shareholders. However, these are publishedin "Business Standard" & "Makkal Kural" and are also posted on the website of the Company www.ttkhealthcare.com

(c) Modified Opinion(s) in Audit Report:
The Audit Report for the year 2015-16 is an unmodified one and does not contain any qualifications

(d) Separate posts of Chairperson and Chief Executive Officer (CEO):
The posts of Chairman and Chief Executive Officer (CEO) are held separately.

(e) Reporting of Internal Auditor:
The Internal Auditors report to the Audit Committee.

Report on Corporate Governance (Contd.)

DISCLOSURE OF COMPLIANCE:

Regulation 17 – Board of Directors:

(i) The composition and meetings of the Board of Directors are complied with.

(ii) Periodical review of Statutory Compliance Report, Quarterly / Half-yearly/ Annual Corporate Governance Report, Quarterly Investor Grievance Report, etc. are carried out by the Board of Directors.

(iii) **Code of Conduct for the Directors (incorporating the duties of Independent Directors) and Senior Management of the Company:** The Board of Directors had laid down a Code of Conduct applicable to all the Directors and Senior Managers of the Company. The said Code of Conduct had 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 (CEO) has been given at Page No.43 of this Annual Report.

Code of Conduct for prevention of Insider Trading: Pursuant to the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of your Company has adopted a Code of Conduct for prevention of Insider Trading. This Code of Conduct is applicable to all designated persons as defined in the said policy who are expected to have access to unpublished price sensitive information relating to the Company. The said Code of Conduct has also been posted on the website of the Company www.ttkhealthcare.com. Further, the Board of Directors of your Company also formulated and published on its website a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and formulated Code of conduct to Regulate, Monitor and Report Trading by Insiders and administered by the Compliance Officer

(iv) **Board Disclosure – Risk Management:** Your Company has developed and implemented a Risk Management Policy which includes identification of elements of risk, if any, which in the opinion of the Board, may threaten the existence of the Company.

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

Your Company had engaged the services of an international consultant for further fine tuning the Risk Management framework and their Report highlighting the key risks was presented to the Board.

In order to effectively implement the Risk Management Framework and to address the key risks highlighted in the above Report, the Risk Management Group (RMG) was constituted with due representation from each of the Businesses / Functions of your Company.

The Group continuously identifies the risks in relation to business strategy, operations and transactions, statutory / legal compliance, financial reporting, information technology system and overall internal control framework and updates the Board periodically.

(v) The details relating to the performance evaluation of Independent Directors by the entire Board of Directors is given in Page No.36 of this Annual Report.

Regulation 18 – Audit Committee:

Compliance to this Regulation is given in Page No.35 of this Annual Report.

Regulation 19 – Nomination & Remuneration Committee:

Compliance to this Regulation is given in Page Nos.35 & 36 of this Annual Report.

Regulation 20 – Stakeholders Relationship Committee:

Compliance to this Regulation is given in Page Nos.36 & 37 of this Annual Report.

Regulation 21 – Risk Management Committee:

Not applicable to your Company. However, your Company has formulated a Risk Management Policy and a reference to this is given in Page Nos.14 & 15 of this Annual Report.

Regulation 22 – Vigil Mechanism:

Compliance to this Regulation is given in Page No.16 of this Annual Report.

Regulation 23 – Related Party Transactions:

Compliance to this Regulation is given in Page No.14 of this Annual Report.

Regulation 24 – Corporate Governance Requirements with respect to subsidiary:

Not applicable to your Company.

Regulation 25 – Obligations with respect to Independent Directors:

Compliance to this Regulation is given in Page Nos.35 & 36 of this Annual Report.

Regulation 26 – Obligations with respect to Directors & Senior Management:

Disclosures relating to compliance to the directorships in other listed entities, Board level Committee Memberships and Chairmanships are annually provided by the Board of Directors of your Company. Further, notification of the changes in the other directorships, Committee Memberships and Chairmanships are also provided by the Directors. Compliance to this Regulation is given in Page No.34 of this Annual Report.

All the Directors and Senior Management had affirmed compliance to the Code of Conduct of Board of Directors and Senior Management as on 31st March, 2016.

Regulation 27 – Other Corporate Governance Requirements:

Disclosure relating to adoption of discretionary requirements under this Regulation is given in Page No.40 of this Annual Report.

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

Related Party Disclosure: Please refer Page No.14 of this Annual Report.

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Directors' Report. (Please refer Page No.11 of this Annual Report).

Disclosure on Accounting Treatment:

In the preparation of financial statements, generally accepted accounting principles and policies were followed. The mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 were followed in the preparation of financial statements.

Declaration by the Chief Executive Officer relating to the affirmation of compliance with the Code of Conduct by the Board of Directors and Senior Management: Please refer Page No.43 of this Annual Report.

Compliance Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance: Please refer Page No.43 of this Annual Report.

Report on Corporate Governance (Contd.)

Disclosure with respect to demat suspense account / unclaimed suspense account:

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

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

- M/s T T Krishnamachari & Co., and its Partners & Relatives of the Partners
- M/s TTK Prestige Ltd.
- M/s TTK Protective Devices Ltd.
- M/s TTK Services (P) Ltd.
- M/s TTK Tantex Ltd.
- M/s Cables & Wireless Networks India (P) Ltd.
- M/s Cigna TTK Health Insurance Co. Ltd.
- M/s TTK Property Services Pvt. Ltd.
- M/s TTK Partners LLP
- M/s Immidart Technologies LLP
- M/s Packwell Packaging Products Ltd.
- M/s Pharma Research & Analytical Laboratories
- M/s Peenya Packaging Products

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Terms of reference:

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

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

Composition, Name of Members and Chairperson:

The Corporate Social Responsibility (CSR) Committee was reconstituted on 2nd November, 2015 in line with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder and its composition are as detailed below:

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

Meeting and Attendance:

During the year under review, the Committee met once to determine the amount to be spent towards CSR activities and to approve the various proposals / projects eligible for contribution under the CSR Policy of the Company, for the financial year 2015-16 and also to review and take on record the status report of the CSR Activities undertaken during the year 2014-15:

Name of Director	Date of the Meeting and Attendance
	03.02.2016
Mr T T Raghunathan	✓
Mr K Shankaran	✓
Dr (Mrs) Vandana R Walvekar	LOA
Mr Girish Rao	✓

LOA - Leave of absence

Corporate Social Responsibility (CSR) Policy:

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

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT:

(a) Mr T T Jagannathan

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

He is a Gold Medalist from the Indian Institute of Technology, Madras and did his Masters in Operations Research in Cornell University, USA.

He has been a Director since 1984 and is the Chairman of the Company.

He is also Chairman / Director on the Board of the following Companies:

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

He is the Chairman of the Corporate Social Responsibility (CSR) Committee of M/s TTK Prestige Limited.

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 K Shankaran

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

He is a qualified Cost & Management Accountant and Company Secretary and has been a Director of the Company since 2000.

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

- M/s TTK Prestige Ltd.
- M/s TTK Services Pvt. Ltd
- M/s Vidal Health TPA Pvt. Ltd.
- M/s TTK Property Services Pvt. Ltd.

He is a Member of the Stakeholders Relationship Committee of M/s TTK Prestige Ltd.

He is the Chairman of the Stakeholders Relationship Committee and Member of the Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility (CSR) Committee of the Company.

He holds 247 Equity Shares in the Company.

He is not related to any other Directors or Key Managerial Personnel or their relatives.

(c) Mr T T Raghunathan

Mr T T Raghunathan is a Commerce Graduate. He is also the Vice Chairman of the TTK Group of Companies. He has over four decades of industrial experience. He has been on the Board of your Company from the year 1998 and was appointed as Executive Vice Chairman, with effect from 1st November, 2001.

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

- M/s TTK Prestige Ltd.
- M/s TTK Tantex Ltd.
- M/s TTK Protective Devices Ltd.
- M/s Cigna TTK Health Insurance Co. Ltd.
- M/s TTK Property Services Pvt. Ltd.
- M/s TTK Services Pvt. Ltd.

Report on Corporate Governance (Contd.)

He does not hold any Committee Chairmanship / Membership in the above Companies.

He is the Chairman of the Corporate Social Responsibility (CSR) Committee of the Company.

He holds 9,547 Equity Shares in the Company (in his individual capacity).

He is the brother of Mr T T Jagannathan, Chairman of the Company.

(d) Mr N Ramesh Rajan

Mr N Ramesh Rajan is a Commerce Graduate and is a Fellow Member of the Institute of Chartered Accountants of India.

He has a very long and successful professional career, spanning over three decades and is currently the Founder and Senior Partner of M/s LeapRidge Advisors LLP (a member of Crowe Horwath International). He also held several senior positions including Chairman, Senior Partner and Executive Director with M/s PriceWaterhouse India, one of the leading professional services firms

He is the Chairman of the Board of Directors of M/s Indo-National Limited. He is also the Chairman of the Audit Committee, Stakeholders Relationship & Share Transfer Committee, Risk Managment Committee and CSR Committee and is the Member of Nomination & Remuneration Committee of that Company.

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

He does not hold any shares in the Company.

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

RECONCILIATION OF SHARE CAPITAL AUDIT:

Audits were conducted on a quarterly basis by M/s Mahesh Associates, Chennai, Practising Company Secretary, reconciling the issued and listed capital of the Company with the aggregate of the number of shares held by investors in physical form and in the Depositories and relevant certificates were submitted to BSE Limited and National Stock Exchange of India Limited within the prescribed time limit.

As on 31st March, 2016, there was no difference between the issued and listed capital and the aggregate of shares held by investors both in physical form and in electronic form with the Depositories. 73,05,209 Equity Shares representing 94.07% of the Paid-up Equity Capital have been dematerialized as on 31st March, 2016.

CEO / CFO CERTIFICATION:

As required under Schedule II – Part B to the SEBI (LODR) Regulations, 2015, the Executive Vice Chairman and Senior Vice President – Finance have furnished necessary Certificate to the Board of Directors with respect to Financial Statements and the Cash Flow Statement for the year ended 31st March, 2016.

ADOPTION OF VARIOUS POLICIES:

Your Company formulated, adopted and disseminated in its website www.ttkhealthcare.com, the following policies, as required under the SEBI (LODR) Regulations, 2015:

- **Policy for Preservation of Documents** pursuant to the provisions of Regulation 9 Chapter III; and
- **Policy for Disclosure of Events or Information** pursuant to the provisions of Regulation 30 Chapter IV.

DECLARATION ON CODE OF CONDUCT

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

Place : Chennai
Date : May 07, 2016

T T RAGHUNATHAN
Executive Vice Chairman

Auditors' Certificate on Compliance of Conditions of Corporate Governance under Schedule V(E) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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, 2016 as stipulated in Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Regulations.

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 LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No.18205

Place : Chennai
Date : May 30, 2016

Independent Auditors' Report

TO THE MEMBERS OF TTK HEALTHCARE LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of TTK Healthcare Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the fi ancial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a b asis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

5. Emphasis of Matters

We draw attention to Note No.15 to the Financial Statements regarding the following:

The Board of Directors at their meeting held on 30th April, 2013 approved the Scheme of Amalgamation of M/s TTK Protective Devices Limited (TTKPD) (formerly TTK-LIG Limited) and its Wholly Owned Subsidiary M/s 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 at 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. Management of the Company has extended the time limit of the Scheme upto 31st March 2017. Our opinion is not qualified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

II. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements, comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified, as on 3 st March, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditors' Report (Contd.)

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(I) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refe Note No.25 to the Financial Statements;

(II) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(III) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

N SRIDHARAN
Proprietor
Membership No.20503

For M/s. S.VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No.18205

Place : Chennai
Date : May 30, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TTK HEALTHCARE LIMITED
(Referred to in paragraph 6(I) of our report of even date)

i (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to information and explanation given to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification

(c) According to information and explanation given to us, the title deeds of all the immovable properties of the Company shown under the Fixed Assets schedule are held in the name of Company.

ii According to information and explanation given to us, the inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable and no discrepancies were noticed at the time of verification

iii According to information and explanation given to us and on the basis of our examination of the books of account, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

iv In our opinion and according to the information and explanation given to us, in respect of loans, investments and guarantees, the provisions of Section 185 and 186 of the Act have been complied with.

v The Company has not accepted any deposit to which provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under and the directions issued by RBI are applicable. Hence paragraph 3(v) of CARO is not applicable to the Company.

vi On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by Central Government under sub-section (1) of Section 148 of the Act, have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.

vii (a) According to information and explanation given to us and according to the books and records produced and examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess to the extent applicable and other material statutory dues, with the appropriate authorities. According to the information and explanations given to us, there were no outstanding statutory dues as mentioned above as at 31st of March, 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, details of Statutory dues which have not been deposited as on 31st March 2016, on account of any dispute are given below:

Name of the Statute	Nature of Dues	Amount under Dispute not yet deposited (Rs. in lakhs)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	166.02	Before ITAT and CIT (Appeals), Chennai
Finance Act	Service Tax	2.91	The Commissioner of Central Excise (Appeals) Bengaluru
Central Sales Tax Act and Local Sales Tax Acts	Sales Tax with Interest and Penalty as applicable	133.60	Before various Sales Tax Authorities
The Central Excise Act, 1944	Excise Duty with Interest and Penalty, as applicable	116.68	The Customs, Excise and Service Tax Appellate Tribunal (CESTAT)
		0.74	The Dy. Commissioner of Central Excise, Aurangabad
		0.42	The Commissioner of Central Excise (Appeals), Chennai

Independent Auditors' Report (Contd.)

viii The Company has not raised any monies from Government, Financial Institutions and Banks and does not have any outstanding debentures. Therefore, reporting under clause (viii) of paragraph 3 of the Order is not applicable.

ix The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of paragraph 3 of the Order is not applicable.

x To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi According to information and explanation given to us and based on our examination of the records of the Company, the Company hasspaid / provided for Managerial Remuneration in accordance with the requisite approvals mandated by Section 197 read with Schedule V of the Companies of the Act.

xii To the best of our knowledge and belief and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiii To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable.

xiv To the best of our knowledge and belief and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable.

xv To the best of our knowledge and belief, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

N SRIDHARAN
Proprietor
Membership No.20503

For M/s. S.VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No.18205

Place : Chennai
Date : May 30, 2016

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TTK HEALTHCARE LIMITED

(Referred to in paragraph 6 (II) (f) of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TTK Healthcare Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal fi ancial controls system over fi ancial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a p rocess designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the

Independent Auditors' Report (Contd.)

assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal fi ancial controls system over fi ancial reporting and such internal fi ancial controls over financial reporting were operating effectively as at 31st March, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

N SRIDHARAN
Proprietor
Membership No.20503

For M/s. S.VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No.18205

Place : Chennai
Date : May 30, 2016

Balance Sheet

as at 31st March, 2016

	Particulars	Note No.	As at the end of 31-03-2016		As at the end of 31-03-2015	
			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	**128,44,60,632**		110,50,45,079	
	(c) Money received against share warrants		–	**136,21,20,462**	–	118,27,04,909
	(2) Share application money pending allotment					–
	(3) Non-current Liabilities					
	(a) Long-term borrowings	3	**1,06,09,632**		15,98,36,379	
	(b) Deferred tax liabilities (Net)	4	**5,06,80,409**		2,22,58,779	
	(c) Other long-term liabilities	5	**10,24,51,721**		9,65,64,362	
	(d) Long-term provisions	6	–	**16,37,41,762**	–	27,86,59,520
	(4) Current Liabilities					
	(a) Short-term borrowings	7	**21,95,31,330**		22,30,12,201	
	(b) Trade payables	8	**33,37,40,251**		30,06,88,951	
	(c) Other current liabilities	9	**89,93,02,473**		72,47,32,163	
	(d) Short-term provisions	10	**4,68,39,759**	**149,94,13,813**	4,21,66,265	129,05,99,580
	TOTAL			**302,52,76,037**		275,19,64,009
II.	**ASSETS**					
	(1) Non-Current Assets					
	(a) Fixed Assets					
	(i) Tangible Assets	11	**105,99,32,612**		51,57,76,418	
	(ii) Intangible Assets	12	**23,12,303**		29,85,682	
	(iii) Capital Work-in-progress		**84,59,192**		45,69,58,690	
	(iv) Intangible assets under development		–		–	
	(b) Non-current investments	13	–		–	
	(c) Deferred tax assets (Net)		–		–	
	(d) Long-term loans and advances	14	**11,89,26,017**		11,52,45,388	
	(e) Other non-current assets	15	–	**118,96,30,124**	–	109,09,66,178
	(2) Current Assets					
	(a) Current Investments	16	**10,13,37,000**		13,37,000	
	(b) Inventories	17	**41,45,26,066**		37,37,74,375	
	(c) Trade Receivables	18	**46,62,02,804**		44,41,25,976	
	(d) Cash and Bank Balances	19	**77,16,29,009**		77,29,98,464	
	(e) Short-term loans and advances	20	**8,19,51,034**		6,87,62,016	
	(f) Other current assets	21	–	**183,56,45,913**	–	166,09,97,831
	TOTAL			**302,52,76,037**		275,19,64,009
	See accompanying notes to the financial statement					

Annexure to our Report of date.

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

N. SRIDHARAN
Proprietor
Membership No. 20503

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No. 18205

Place : Chennai
Date : May 30, 2016

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Dr (Mrs) Vandana R Walvekar, Director
Girish Rao, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholetime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Profit and Loss Statement

for the year ended 31st March, 2016

	Particulars	Note No.	For the year ended 31-03-2016		For the year ended 31-03-2015	
			Rs.	Rs.	Rs.	Rs.
I.	Revenue from Operations (Gross)	22		519,09,51,543		483,14,16,304
	Less: Excise Duty			22,96,298		21,49,926
	Revenue from Operations (Net)			518,86,55,245		482,92,66,378
II.	Other Income	23		5,59,20,537		6,56,77,633
III.	**Total Revenue (I + II)**			524,45,75,782		489,49,44,011
IV.	**Expenses:**					
	Cost of materials consumed			35,47,31,967		31,38,64,224
	Purchases of Stock-in-trade			195,25,47,614		190,63,03,320
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade			(1,45,66,015)		(2,56,88,952)
				229,27,13,566		219,44,78,592
	Employee benefits expens	24		81,41,85,196		71,92,51,684
	Finance costs	25		3,32,73,070		3,64,22,761
	Depreciation and amortization expense	26		7,20,70,614		6,13,98,077
	Other expenses	27		167,70,59,203		162,00,46,798
	Total expenses			488,93,01,649		463,15,97,912
V.	Profit before exceptional and extraordinary items and tax (III-IV			35,52,74,133		26,33,46,099
VI.	Exceptional items			–		–
VII.	Profit before extraordinary items and tax (V - VI			35,52,74,133		26,33,46,099
VIII.	Extraordinary Items			–		–
IX.	Profit before tax (VII - VIII			35,52,74,133		26,33,46,099
X.	Tax expense:					
	(1) Current tax		10,02,00,000		10,90,00,000	
	(2) Deferred tax		2,84,21,630	12,86,21,630	(72,05,631)	10,17,94,369
XI.	Profit / (Loss) for the period from continuing operations (IX-X			22,66,52,503		16,15,51,730
XII.	Profit / (Loss) from discontinuing operation			–		–
XIII.	Tax expense of discontinuing operations			–		–
XIV.	Profit / (Loss) from Discontinuing operations (after tax) (XII - XIII			–		–
XV.	Profit / (Loss) for the period (XI + XIV			22,66,52,503		16,15,51,730
XVI.	Earnings per Equity Share of Rs.10/- each:					
	(1) Basic			29.19		20.80
	(2) Diluted			29.19		20.80
	See accompanying notes to the financial statement					

Annexure to our Report of date.

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

N. SRIDHARAN
Proprietor
Membership No. 20503

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No. 18205

Place : Chennai
Date : May 30, 2016

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Dr (Mrs) Vandana R Walvekar, Director
Girish Rao, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholetime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Cash Flow Statement

for the year ended 31st March, 2016

	Particulars	2015-16		2014-15	
		Rs.	Rs.	Rs.	Rs.
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit Before Tax		35,52,74,133		26,33,46,099
	Adjustments for:				
	Depreciation	7,20,70,614		6,13,98,077	
	(Profit)/Loss on Sale / Obsolescence of Asset	30,766		49,15,152	
	(Profit)/Loss on Sale of Investments	–		–	
	Interest Paid	3,23,73,070		3,51,53,881	
	Dividend Received	(3,31,350)	10,41,43,100	(3,01,750)	10,11,65,360
	Operating Profit before Working Capital Change		45,94,17,233		36,45,11,459
	Adjustments for:				
	Trade and Other Receivables	(1,74,14,586)		4,95,49,574	
	Inventories	(4,07,51,691)		(3,42,64,837)	
	Trade Payables	9,40,13,496	3,58,47,219	13,96,98,322	15,49,83,059
	Cash generated from operations		49,52,64,452		51,94,94,518
	Direct Taxes Paid		(12,17,31,889)		(12,50,65,589)
	Cash Flow before Extraordinary Items & Deferred Revenue Expenditure		37,35,32,563		39,44,28,929
	Extraordinary Items		–		–
	Net Cash from Operating Activities		37,35,32,563		39,44,28,929
B.	**CASH FLOW FROM INVESTMENT ACTIVITIES:**				
	Purchase of Fixed Assets	(16,84,00,231)		(49,20,98,673)	
	Sale of Fixed Assets	8,13,357		3,65,503	
	Dividend Received	3,31,350		3,01,750	
	Investments in Debentures	(10,00,00,000)	(26,72,55,524)	–	(49,14,31,420)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Bank Borrowings - Short Term	(3,34,80,871)		10,06,11,071	
	Interest Paid	(3,23,73,070)		(3,51,53,881)	
	Dividend Paid	(4,20,61,279)		(3,63,43,247)	
	Net Cash used in Financing Activities		(10,79,15,220)		2,91,13,943
	Net Increase in Cash and Cash Equivalents		(16,38,181)		(6,78,88,548)
	Cash and Cash Equivalents as at the beginning of the year	76,80,97,946		83,59,86,494	
	Cash and Cash Equivalents as at the end of the year	76,64,59,765	16,38,181	76,80,97,946	6,78,88,548

Notes:

a. The above cash flow statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3 (AS-3) notified under the Companies (Accounting Standards) Rule, 2006.

b. The previous year's figures have been regrouped and reclassified wherever necessary to conform to the current year's presentation.

Annexure to our Report of date.

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

N. SRIDHARAN
Proprietor
Membership No. 20503

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No. 18205

Place : Chennai
Date : May 30, 2016

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Dr (Mrs) Vandana R Walvekar, Director
Girish Rao, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholetime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Notes to Balance Sheet

	As at 31.03.2016	As at 31.03.2015
	Rs.	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)	**7,76,59,830**	7,76,59,830
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	**77,65,983**	77,65,983
(ii) No. of shares issued during the period	–	–
(iii) No. of shares bought back / forfeited during the period	–	–
(iv) No. of shares outstanding at the end of the period	**77,65,983**	77,65,983
(e) the rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital	The Company presently has only one class of Equity Shares. Each Shareholder is entitled to one vote per share 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 Subsidiaries or associates of the Holding Company or the ultimate Holding Company in aggregate	–	–
(g) shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held :		
(i) Mr T T Jagannathan (9.40%)	**7,30,048**	7,30,048
(ii) M/s T T Krishnamachari & Co. represented by its Partners (53.36%)	**41,44,085**	41,44,085
(h) shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts	–	–
(i) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared:		
· Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	–	–
· Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	–	–
· Aggregate number and class of shares bought back:		
No. of Equity Shares bought back by the Company	–	–
(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 31.03.2016		As at 31.03.2015
		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	–	**6,81,32,507**	–	6,81,32,507
(b) Capital Redemption Reserve				
Balance as per last Balance Sheet	**34,44,310**		34,44,310	
Addition during the year	–	**34,44,310**	–	34,44,310
(c) Securities Premium Reserve				
Balance as per last Balance Sheet	**9,82,49,128**		9,82,49,128	
Addition / Deduction during the year	–	**9,82,49,128**	–	9,82,49,128
(d) Debenture Redemption Reserve		–		–
(e) Revaluation Reserve				
Balance as per last Balance Sheet	**4,46,45,103**		4,51,47,280	
Deduction during the year - Transfer to Depreciation A/c in Profit and Loss Statemen	**5,02,177**	**4,41,42,926**	5,02,177	4,46,45,103
(f) Share Options Outstanding Account		–		–
(g) Other Reserves :				
General Reserve				
Balance as per last Balance Sheet	**25,27,91,671**		23,83,39,018	
Addition during the year - Transfer from Surplus	**4,00,00,000**		2,00,00,000	
Deduction during the year - Transfer to Depreciation A/c in Profit and Loss Statemen	–	**29,27,91,671**	55,47,347	25,27,91,671
(h) Surplus:				
Balance as per last Balance Sheet	**63,77,82,360**		53,82,91,909	
Balance in Statement of Profit and Los	**22,66,52,503**		16,15,51,730	
Total (A)	**86,44,34,863**		69,98,43,639	
Less: Proposed Dividend	**3,88,29,915**		3,49,46,924	
Provision for Tax on Dividend	**79,04,858**		71,14,355	
Transfer to General Reserve	**4,00,00,000**		2,00,00,000	
Total (B)	**8,67,34,773**		6,20,61,279	
Net Surplus (A-B)		**77,77,00,090**		63,77,82,360
Total		**128,44,60,632**		110,50,45,079

Notes to Balance Sheet (Contd.)

		As at 31.03.2016		As at 31.03.2015
		Rs.		Rs.
Non-current Liabilities:				
Note No.3				
A. Long-term Borrowings				
(i) Secured Long-term borrowings:				
(a) Bonds/Debentures		–		–
(b) Term loans:				
· from banks (Secured by the first charge on the Plant and Machinery of the Foods Factory at Jaipur)		–		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 obligation (secured by ownership of the vehicles / equipments)		**1,06,09,632**		98,36,379
(g) Other loans and advances		–		–
(ii) Unsecured Long-term borrowings:		–		–
Total		**1,06,09,632**		15,98,36,379
Note No.4				
B. Deferred tax liabilities (Net)				
(a) Deferred tax liability		**6,38,79,873**		3,37,63,627
(b) Less: Deferred tax asset		**1,31,99,464**		1,15,04,848
Total		**5,06,80,409**		2,22,58,779
Note No.5				
C. Other long-term liabilities				
(a) Trade payables		–		–
(b) Others		**10,24,51,721**		9,65,64,362
Total		**10,24,51,721**		9,65,64,362
Note No.6				
D. Long-term provisions				
(a) Provision for employee benefit		–		–
(b) Others		–		–
Total		–		–
Current Liabilities:				
Note No.7				
A. Short-term borrowings				
(i) Secured Short-term borrowings:				
(a) Loans repayable on demand				
· from banks (Hypothecation of stocks and book debts)	**21,95,31,330**		22,30,12,201	
· from other parties	–		–	
(b) Loans and advances from related parties	–		–	
(c) Deposits	–		–	
(d) Other loans and advances	–	**21,95,31,330**	–	22,30,12,201
(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		**21,95,31,330**		22,30,12,201

Notes to Balance Sheet (Contd.)

		As at 31.03.2016		As at 31.03.2015
		Rs.		Rs.
Note No.8				
B. Trade Payables		33,37,40,251		30,06,88,951
(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 (Secured by the first charge on the Plant and Machinery of the Foods Factory at Jaipur)		15,00,00,000		3,00,00,000
(b) Current maturities of finance lease obligation (secured by ownership of the vehicles / equipments)		46,79,617		42,83,531
(c) Interest accrued but not due on borrowings		–		–
(d) Interest accrued and due on borrowings		–		–
(e) Income received in advance		–		–
(f) Unpaid dividends (No amount is due to be credited to the Investor Education and Protection Fund)		51,69,244		49,00,518
(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 expens	15,66,24,198		11,81,54,125	
ii. Interest	73,05,904		69,54,951	
iii. Taxes, Duties & Levies	2,07,03,702		2,18,68,003	
iv. Expenses payable relating to operations	50,40,22,149		45,31,63,614	
v. PF & ESIC Contributions	1,21,10,285		1,07,66,816	
vi. TDS & TCS	1,01,15,823		74,83,383	
vii. Creditors for Capital Goods	2,62,88,191		6,52,03,894	
viii. Audit and other Fees	22,23,360		18,93,328	
ix. Security deposits	60,000	73,94,53,612	60,000	68,55,48,114
Total		89,93,02,473		72,47,32,163
Note No.10				
D. Short-term provisions				
(a) Provision for employee benefit		–		–
(b) Others :				
Provision for Dividend (Rs.5.00 per share of Rs.10/- each)	3,88,29,915		3,49,46,924	
Provision for Dividend Tax	80,09,844	4,68,39,759	72,19,341	4,21,66,265
Total		4,68,39,759		4,21,66,265

Notes to Balance Sheet (Contd.)

		As at 31.03.2016 Rs.		As at 31.03.2015 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	**20,05,97,972**		9,29,83,197	
(c) Plant and Equipment	**66,41,48,805**		24,19,37,379	
(d) Furniture and Fixtures	**92,14,543**		66,92,668	
(e) Vehicles	**74,76,023**		47,05,600	
(f) Office Equipment	**47,05,143**		18,03,053	
(g) Others:				
Computers	**53,06,634**	**94,65,56,886**	78,23,287	41,10,52,950
(ii) Assets under lease:				
(a) Leasehold Land	**8,84,69,242**		8,94,70,333	
(b) Leasehold Building	**1,10,45,475**		24,20,839	
(c) Leasehold Plant and Equipment	**3,71,830**		11,04,919	
(d) Vehicles	**1,34,89,179**	**11,33,75,726**	1,17,27,377	10,47,23,468
Total		**105,99,32,612**		51,57,76,418
(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 dat of such reduction or increase.	Nil during the last five year			
Note No. 12				
Intangible Assets				
(i) (a) Goodwill		–		–
(b) Brands / Trademarks		–		–
(c) Computer Softwares		**23,12,303**		29,85,682
(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		**23,12,303**		29,85,682
(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 dat of such reduction or increase.	Nil during the last five year			

Notes to Balance Sheet (Contd.)

	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.
Note No.13		
B. Non-current investments		
(i) Trade Investments	–	–
(ii) Non-Trade Investments	–	–
(iii) Investments carried at other than at cost	–	–
Total	–	–
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	**2,88,27,392**	4,75,27,352
(b) Security Deposits	**73,65,725**	61,73,337
(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	**49,08,580**	52,52,268
(e) Advance Income-tax and Fringe Benefit Tax (net of provisions	**7,52,74,320**	5,37,42,431
(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	**11,89,26,017**	11,52,45,388
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	–	–

Notes to Balance Sheet (Contd.)

	As at 31.03.2016	As at 31.03.2015
	Rs.	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.4,316.05 each		
2) 1,000 Equity Shares of Rs.5/- each of Apollo Hospitals Enterprise Ltd.	**5,000**	5,000
- Market Value Rs.1,329.30 each		
(b) Investments in Preference Shares	–	–
(c) Investments in Government or Trust Securities	–	–
(d) Investments in Debentures or Bonds		–
Quoted (Fully paid)		
1,000 Listed, Rated, Secured, Redeemable, Index Linked, Non-Convertible Debentures of face value of Rs.1,00,000/- each, having a maturity of 25 Months, of Citicorp Finance (India) Limited - Market Value Rs.1,02,330/- each	**10,00,00,000**	–
(e) Investments in Mutual Funds	–	–
(f) Investments in Partnership Firms	–	–
(g) Other non-current investments	–	–
Total	**10,13,37,000**	13,37,000
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	**10,13,37,000**	13,37,000
Aggregate market value of quoted investments	**16,75,36,840**	5,23,42,570
Aggregate book value of unquoted investments	–	–

Notes to Balance Sheet (Contd.)

		As at 31.03.2016		As at 31.03.2015
		Rs.		Rs.
Note No. 17				
B. Inventories				
(a) Raw Materials#		6,63,65,146		4,08,45,464
(b) Work-in-progress		3,34,08,762		2,48,29,107
(c) Finished goods* (comprise of own manufactured & outsourced goods)		26,44,23,514		27,72,44,466
(d) Stock-in-trade (in respect of goods acquired for trading)		4,52,93,681		2,64,86,369
(e) Stores and spares		50,34,963		43,68,969
(f) Loose tools		–		–
(g) Others		–		–
Total		41,45,26,066		37,37,74,375

Include Packing Materials

* Include Goods-in-Transit - Rs.40,66,625/-

Mode of valuation:

Raw and Packing Materials and Consumables are valued at cost on FIFO Basis or net realizable value

Finished Goods are valued at lower of cost or net 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	44,01,677		32,06,881	
(c) Doubtful	–	44,01,677	–	32,06,881
(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	46,18,01,127		44,09,19,095	
(c) Doubtful	–	46,18,01,127	–	44,09,19,095
(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		46,62,02,804		44,41,25,976
Note No. 19				
D. Cash and Banks Balances				
(a) Cash and cash equivalents				
(i) Cash on hand		40,87,973		46,99,520
(ii) Balance with banks:				
Balance in Current Account	14,99,66,988		13,24,01,431	
In Deposit Account held as margin money	20,85,047		6,35,047	
In Deposit Account held as security against guarantees	33,89,840		6,12,25,000	
Deposit Account with more than 12 months maturity	–		–	
Deposit Account with 12 months and less than 12 months maturity	60,69,29,917	76,23,71,792	56,91,36,948	76,33,98,426
		76,64,59,765		76,80,97,946
(b) Other Bank Balance				
In Interest Warrant Account	–		–	
In Dividend Warrant Account	51,69,244	51,69,244	49,00,518	49,00,518
(c) Cheques, drafts on hand		–		–
(d) Others		–		–
Total		77,16,29,009		77,29,98,464

Notes to Balance Sheet (Contd.)

		As at 31.03.2016		As at 31.03.2015
		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	10,32,750		10,32,750	
ii. Deposit with Government Departments	75,25,231		75,25,231	
iii. Earnest Money Deposits	35,44,460		22,76,742	
iv. Advances others	6,96,88,593	8,17,91,034	5,75,27,293	6,83,62,016
(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.		1,60,000		4,00,000
Total		8,19,51,034		6,87,62,016
Note No. 21				
F. Other current assets		–		–

Notes to Balance Sheet (Contd.)

Annexure 1 - A

FIXED ASSET DETAILS

	Description of Assets	Gross Block				Accumulated Depreciation, Amortisation & Impairment				Net Block	
		As on 31-03-2015	Additions	Deletions	As on 31-03-2016	Up to 31-03-2015	Deletions	For the Year	Up to 31-03-2016	As on 31-03-2016	As on 31-03-2015
		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	**13,98,27,234**	**11,25,79,205**	–	**25,24,06,439**	**4,68,44,037**	–	**49,64,430**	**5,18,08,467**	**20,05,97,972**	**9,29,83,197**
	(c) Plant & Machinery	32,78,70,900	43,77,27,948	14,889	76,55,83,959	12,33,50,770	14,889	4,20,08,115	16,53,43,996	60,02,39,963	20,45,20,130
	Electrical Installation	2,69,88,294	1,05,74,645	–	3,75,62,939	1,15,72,497	–	30,80,573	1,46,53,070	2,29,09,869	1,54,15,797
	Fire Fighting Equipments	5,46,168	91,81,306	1,44,693	95,82,781	3,25,144	1,44,693	1,64,647	3,45,098	92,37,683	2,21,024
	Air-conditioners	1,33,48,886	90,40,060	71,710	2,23,17,236	79,35,229	71,710	15,15,706	93,79,225	1,29,38,011	54,13,657
	Lift	7,99,636	34,40,635	–	42,40,271	5,55,653	–	1,95,883	7,51,536	34,88,735	2,43,983
	Patterns, Dies & Templates	1,94,16,982	18,19,131	4,96,885	2,07,39,228	67,09,330	1,25,814	25,31,361	91,14,877	1,16,24,351	1,27,07,652
	Lab Equipments	93,81,548	10,30,379	–	1,04,11,927	59,66,412	–	7,35,322	67,01,734	37,10,193	34,15,136
	Sub-Total	**39,83,52,414**	**47,28,14,104**	**7,28,177**	**87,04,38,341**	**15,64,15,035**	**3,57,106**	**5,02,31,607**	**20,62,89,536**	**66,41,48,805**	**24,19,37,379**
	(d) Furniture & Fittings	**1,91,54,062**	**39,64,579**	**98,713**	**2,30,19,928**	**1,24,61,394**	**54,631**	**13,98,622**	**1,38,05,385**	**92,14,543**	**66,92,668**
	(e) Vehicles	**1,10,16,885**	**48,90,258**	**13,99,273**	**1,45,07,870**	**63,11,285**	**10,41,830**	**17,62,392**	**70,31,847**	**74,76,023**	**47,05,600**
	(f) Office Equipment	**87,94,879**	**39,39,610**	**14,48,251**	**1,12,86,238**	**69,91,826**	**14,24,592**	**10,13,861**	**65,81,095**	**47,05,143**	**18,03,053**
	(g) Computers	**6,19,89,853**	**26,08,926**	**94,17,100**	**5,51,81,679**	**5,41,66,566**	**93,69,232**	**50,77,711**	**4,98,75,045**	**53,06,634**	**78,23,287**
	Total	**69,42,43,093**	**60,07,96,682**	**1,30,91,514**	**128,19,48,261**	**28,31,90,143**	**1,22,47,391**	**6,44,48,623**	**33,53,91,375**	**94,65,56,886**	**41,10,52,950**
2.	**Leased Assets :**										
	(a) Land	9,26,95,291	–	–	9,26,95,291	32,24,958	–	10,01,091	42,26,049	8,84,69,242	8,94,70,333
	(b) Buildings	1,67,37,697	96,83,753	–	2,64,21,450	1,43,16,858	–	10,59,117	1,53,75,975	1,10,45,475	24,20,839
	(c) Plant & Machinery	21,99,750	–	–	21,99,750	10,94,831	–	7,33,089	18,27,920	3,71,830	11,04,919
	(d) Vehicles	2,58,34,616	58,60,784	54,70,912	2,62,24,488	1,41,07,239	54,70,912	40,98,982	1,27,35,309	1,34,89,179	1,17,27,377
	Total	**13,74,67,354**	**1,55,44,537**	**54,70,912**	**14,75,40,979**	**3,27,43,886**	**54,70,912**	**68,92,279**	**3,41,65,253**	**11,33,75,726**	**10,47,23,468**
	Grand Total	**83,17,10,447**	**61,63,41,219**	**1,85,62,426**	**142,94,89,240**	**31,59,34,029**	**1,77,18,303**	**7,13,40,902**	**36,95,56,628**	**105,99,32,612**	**51,57,76,418**
	Previous year	79,79,53,345	5,37,32,491	1,99,75,389	83,17,10,447	26,43,90,991	1,46,94,734	6,62,37,772	31,59,34,029	51,57,76,418	53,35,62,354
	Capital Work-in-progress	45,69,58,690	7,17,51,450	52,02,50,948	84,59,192	–	–	–	–	84,59,192	45,69,58,690
	Previous year	1,96,57,442	45,21,15,130	1,48,13,882	45,69,58,690	–	–	–	–	45,69,58,690	1,96,57,442

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	**2,07,98,553**	**5,58,510**	–	**2,13,57,063**	**1,78,12,871**	–	**12,31,889**	**1,90,44,760**	**23,12,303**	**29,85,682**
(d)	Mastheads & Publishing Titles	–	–	–	–	–	–	–	–	–	–
(e)	Mining Rights	–	–	–	–	–	–	–	–	–	–
(f)	Copyright, Patents, etc.	–	–	–	–	–	–	–	–	–	–
(g)	Recipes, Formulae, Designs	–	–	–	–	–	–	–	–	–	–
(h)	Licenses and Franchise	–	–	–	–	–	–	–	–	–	–
	Total	**3,20,48,353**	**5,58,510**	–	**3,26,06,863**	**2,90,62,671**	–	**12,31,889**	**3,02,94,560**	**23,12,303**	**29,85,682**
	Previous year	3,09,83,419	10,64,934	–	3,20,48,353	2,78,52,842	–	12,09,829	2,90,62,671	29,85,682	31,30,577
	Under development	–	–	–	–	–	–	–	–	–	–
	Previous year	–	–	–	–	–	–	–	–	–	–

Note : Depreciation for the year amounting to Rs.5,02,177/- (Previous Year - Rs.5,02,177/-) 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. 7,25,72,791/- for the year (Previous Year - Rs. 6,74,47,601/-)

Notes to Profit and Loss Statement

	Units	2015-16 Quantity	2015-16 Value (Rs.)	2014-15 Quantity	2014-15 Value (Rs.)
Note No.22					
Revenue from Operations:					
(a) Sale of products:					
Orals	Lakhs	353.788	123,51,56,584	355.659	118,91,23,229
Tablets	Lakhs	1,058.687	82,63,33,899	1,069.374	75,30,79,434
Injectables	Lakhs	112.242	17,56,77,277	114.902	16,41,99,187
Capsules	Lakhs	381.159	20,21,14,689	389.709	19,64,33,116
Granules	M.T.	1,479.522	31,59,95,633	1,278.598	31,13,27,608
Ointment	M.T.	5.495	1,13,27,996	6.454	1,40,48,511
Cosmetics	M.T.	495.320	19,13,26,463	526.010	18,27,28,126
Cosmetics	K.Ltrs.	1,073.500	70,29,44,527	1,057.153	68,23,03,766
Home Care Products	–	–	28,13,34,238	–	25,77,24,076
Condoms	Millions	81.850	36,50,50,819	76.421	29,83,61,607
Hospital Care Products	–	–	22,51,05,495	–	19,79,64,126
Food Products	M.T.	8,788.311	60,69,32,250	7,993.967	57,12,27,592
Maps & Atlases	–	–	87,63,405	–	72,15,910
Others	–	–	22,33,991	–	18,86,803
			515,02,97,266		4,82,76,23,091
(b) Sale of services			–		–
(c) Other operating revenues			4,06,54,277		37,93,213
Total Revenue from Operations			519,09,51,543		483,14,16,304
Less: Excise duty			22,96,298		21,49,926
Total Revenue from Operations (Net)			518,86,55,245		482,92,66,378

	2015-16 Rs.	2015-16 Rs.	2014-15 Rs.	2014-15 Rs.
Note No.23				
Other Income:				
(a) Interest Income i) On Fixed Deposits	5,44,66,354		6,47,17,533	
ii) Others	2,58,081	5,47,24,435	2,45,998	6,49,63,531
(b) Dividend Income		3,31,350		3,01,750
(c) Net gain on sale of investments		–		–
(d) Other non-operating income (net of expenses directly attributable to such income)		4,96,030		2,91,996
(e) Net foreign exchange gain		3,68,722		1,20,356
Total		5,59,20,537		6,56,77,633
Note No.24				
Employee benefits expense:				
(a) Salaries, Wages and Bonus		67,81,40,925		59,64,62,177
(b) Contribution to Provident and Other Funds		4,69,64,966		4,02,04,317
(c) Gratuity and Superannuation		4,28,40,882		3,73,33,792
(d) Contribution to E.S.I.		82,03,284		90,48,102
(e) Expenses on Employee Stock Option Scheme		–		–
(f) Expenses on Employee Stock Purchase Plan		–		–
(g) Welfare Expenses		3,80,35,139		3,62,03,296
Total		81,41,85,196		71,92,51,684
Note No.25				
Finance costs:				
(a) Interest expense		3,23,73,070		3,51,53,881
(b) Other borrowing costs		9,00,000		12,68,880
(c) Applicable net g ain / loss on foreign currency transactions and translation		–		–
Total		3,32,73,070		3,64,22,761

Notes to Profit and Loss Statement (Contd.)

	2015-16		2014-15	
	Rs.	Rs.	Rs .	Rs .
Note No.26				
Depreciation and amortisation expenses:				
(a) Depreciation	7,25,72,791		6,74,47,601	
Less: Transfer from general reserve	–		55,47,347	
Less: Transfer from revaluation reserve	5,02,177	7,20,70,614	5,02,177	6,13,98,077
(b) Amortisation expenses		–		–
Total		7,20,70,614		6,13,98,077
Note No.27				
Other Expenses:				
Power & Fuel		5,64,41,988		4,58,77,485
Repairs & Maintenance:				
· Repairs to Building	48,92,642		24,64,028	
· Repairs to Plant & Machinery	5,20,85,868		3,13,90,750	
· Factory / Office Upkee	1,98,29,375	7,68,07,885	1,55,04,346	4,93,59,124
Consumable Stores		63,49,052		38,72,043
General Insurance		25,46,459		22,16,388
Rates & Taxes		43,68,365		2,04,53,654
Rent		2,13,53,640		2,05,82,363
Electricity		90,00,345		1,03,68,326
Printing & Stationery		1,47,36,130		1,44,36,055
Postage & Telephones		2,61,60,760		2,57,66,413
Carriage Outwards		19,49,26,806		18,32,05,944
Transit Insurance		50,20,844		45,68,029
Advertisement & Sales Promotion		76,85,66,856		79,61,59,268
Travelling & Conveyance		29,00,51,918		27,11,72,281
Audit & Other Fees:				
· Audit Fees	16,54,525		14,21,354	
· Tax Audit Fees	1,48,850		1,29,214	
· Cost Audit Fees	4,06,490		3,93,260	
· Reimbursement of expenses	45,547		16,744	
· Other matters	1,92,298	24,47,710	2,39,245	21,99,817
Donation		4,56,031		16,80,901
Contribution towards CSR Activities		45,08,000		44,00,000
Depot Service Charges		10,13,89,001		9,10,99,250
Directors' Sitting Fees		6,43,586		3,48,316
Loss on Sale of Assets		20,200		5,42,723
Loss on Sale of Leased Assets		–		87,375
Loss on obsolescence of Assets		4,15,153		45,46,083
Conversion Charges		2,68,241		2,31,395
Bad debts written off		23,34,069		28,30,775
Legal and consultancy charges		4,14,80,837		2,88,84,388
Research and Development		1,27,04,602		48,19,971
Miscellaneous Expenses		3,40,60,725		3,03,38,431
Total		167,70,59,203		162,00,46,798

Notes on Financial Statements

S. No.	Particulars	UNITS	2015-16		2014-15	
			Quantity	Value (Rs.)	Quantity	Value (Rs.)
(1)	**Materials Consumed:**					
	a. Industrial Alcohol	K.L.	**0.083**	**16,807**	0.166	30,362
	b. Sweetening Agents & Base	M.T.	**56.204**	**32,72,369**	55.958	31,76,831
	c. Fats & Oils	M.T.	**30.648**	**21,56,718**	14.900	11,43,775
	d. Vitamins & Nutrients	M.T.	–	**2,333**	–	4,530
	e. Drugs	M.T.	**8.135**	**52,40,031**	8.571	51,79,977
	f. Anti Bacterial Preservatives	M.T.	**1.462**	**5,13,556**	1.075	3,62,852
	g. Flavouring & Colouring Agents	M.T.	**2.815**	**15,17,635**	2.087	11,02,372
	h. Enzymes & Biological Products	M.T.	**3.457**	**4,96,930**	1.880	3,98,287
	i. Vegetable & Crude Drugs	M.T.	**107.101**	**81,97,490**	95.223	63,19,756
	j. Cereals, Spices & Salts	M.T.	**9,422.400**	**23,77,35,065**	8,327.060	21,40,72,044
	k. Other Chemicals	–	–	**51,18,465**	–	34,45,113
	l. Containers & Closures	1000s	**1,192.007**	**57,13,034**	1,547.240	49,06,579
	m. Non-ferrous castings	Nos.	**6,112**	**80,33,344**	3,821	46,97,631
	n. Packing & Other Materials	–		**7,67,18,190**	–	6,90,24,114
	Total			**35,47,31,967**		31,38,64,223

	Particulars	2015-16 Rs.	2014-15 Rs.
(2)	**Work-in-progress:**		
	Heart Valve & Accessories	**1,67,01,877**	1,97,96,896
	Food Products	**72,36,804**	4,33,066
	Orthopaedic Implants & Instrument Sets	**94,70,081**	45,99,145
	Total	**3,34,08,762**	2,48,29,107

	Particulars	2015-16		2014-15	
		%	Rs	%	Rs
(3)	**Value of Materials, Spare Parts & Components Consumed during the year:**				
	a. Materials :				
	i) Imported	**7.54**	**2,67,61,181**	2.42	76,06,826
	ii) Indigenous	**92.46**	**32,79,70,786**	97.58	30,62,57,398
		100.00	**35,47,31,967**	100.00	31,38,64,224
	b. Spare Parts & Components :				
	i) Imported	–	–	0.43	16,694
	ii) Indigenous	**100.00**	**63,49,052**	99.57	38,55,349
		100.00	**63,49,052**	100.00	38,72,043
(4)	**Value of Imports (CIF Value)**				
	i) Raw Materials		**3,67,66,059**		2,01,83,654
	ii) Finished Goods		–		–
	iii) Capital Goods		**2,19,21,405**		9,21,27,216
	iv) Spares		**44,54,715**		1,30,395
			6,31,42,179		11,24,41,265
(5)	**Earnings in Foreign Exchange**				
	Export of Goods (FOB Value)		**4,38,30,014**		3,31,62,397
(6)	**Expenditure in Foreign Currency:**				
	i) Travelling		**11,14,222**		18,50,451
	ii) Royalty, Consultancy, Product Registration / Promotion Expenses, etc.		**91,45,408**		1,63,21,710
			1,02,59,630		1,81,72,161

Notes on Financial Statements (Contd.)

(7) Contingent Liabilities And Commitments Not Provided For:

	2015-16 (Rs. in lakhs)	2014-15 (Rs. in lakhs)
A) Contingent Liabilities:		
Guarantees against letters of credit opened	51.76	–
Other Guarantees	205.10	178.05
Disputed Taxes/Claims, not acknowledged as debts	1,490.95	1,766.33
	1,747.81	1,944.38
B) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	657.84	2,088.28

(8) 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 per the requirements of Accounting Standard 15 (AS-15).

(9) The Company contributes to a Superannuation Fund covering specified employees. The contributions are by way of annual premia pa able in respect of a superannuation policy issued by the Life Insurance Corporation of India, which confers benefits to retired/resigned employees b sed on policy norms. No other liabilities are incurred by the Company in this regard.

(10) Leave Encashment benefit has been charged to Profit and Loss Statement on the basis of actuarial valuation as at the year end i 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

	2015-16 Rs.	2014-15 Rs.
Employer's Contribution to Provident Fund	4,70,72,978	4,02,96,549
Employer's Contribution to Superannuation Fund	2,44,25,854	2,30,17,885

Defined Benefit Plan :

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

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method which recogni zes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligaon as per para 65 of the Accounting Standard 15 (AS-15).

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

	Gratuity Funded (Existing Scheme)				
	2015-16 Rs.	2014-15 Rs.	2013-14 Rs.	2012-13 Rs.	2011-12 Rs.
Defined Benefit obligation at the beginning of the yea	9,21,05,858	8,03,41,990	6,76,46,666	6,01,67,673	5,25,57,405
Current Service Cost	89,11,670	83,29,710	71,57,174	62,34,526	54,50,637
Interest Cost	73,68,469	64,27,359	54,11,733	48,13,414	42,04,592
Actuarial (gains) and losses on obligation	46,95,814	45,21,767	66,62,303	28,592	38,45,900
Benefits pai	34,00,926	75,14,968	65,35,886	35,97,539	58,90,861
Defined Benefit obligation at the end of the ye	10,96,80,885	9,21,05,858	8,03,41,990	6,76,46,666	6,01,67,673

Notes on Financial Statements (Contd.)

	Gratuity Funded (New Scheme)
	2015-16
	Rs.
Defined Benefit obligation at the beginning of the yea	**6,89,310**
Current Service Cost	**12,14,555**
Interest Cost	**55,145**
Actuarial (gains) and losses on obligation	**4,03,772**
Benefits pai	–
Defined Benefit obligation at the end of the ye	**15,55,238**

	Leave Encashment Unfunded				
	2015-16	2014-15	2013-14	2012-13	2011-12
	Rs.	Rs.	Rs.	Rs.	Rs.
Defined Benefit obligation at the beginning of the ye	**2,61,33,763**	2,03,12,528	1,87,79,066	1,53,10,660	1,26,24,398
Current Service Cost	**26,09,281**	24,97,783	23,86,285	27,25,980	22,22,504
Interest Cost	**17,57,107**	15,51,854	13,04,444	11,15,516	8,43,450
Actuarial (gains) and losses on obligation	**59,13,022**	82,89,978	35,85,166	43,05,995	37,82,847
Benefits pai	**72,13,499**	65,18,380	57,42,433	46,79,085	41,62,539
Defined Benefit obligation at the end of the ye	**2,91,99,674**	2,61,33,763	2,03,12,528	1,87,79,066	1,53,10,660

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

	Gratuity Funded (Existing Scheme)				
	2015-16	2014-15	2013-14	2012-13	2011-12
	Rs.	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets at the beginning of the year	**9,00,40,114**	7,48,93,117	6,65,26,614	5,78,21,861	5,06,51,493
Expected return on plan assets	**78,92,969**	70,93,469	59,00,847	55,44,432	48,28,644
Actuarial loss on plan assets	–	–	–	–	–
Contribution by the employer	**1,26,11,019**	1,55,68,496	90,01,542	67,57,860	82,32,585
Benefits pai	**34,00,926**	75,14,968	65,35,886	35,97,539	58,90,861
Fair value of plan assets at the end of the year	**10,71,43,176**	9,00,40,114	7,48,93,117	6,65,26,614	5,78,21,861

	Gratuity Funded (New Scheme)
	2015-16
	Rs.
Fair value of plan assets at the beginning of the year	**75,011**
Expected return on plan assets	**58,852**
Actuarial loss on plan assets	–
Contribution by the employer	**14,88,083**
Benefits pai	–
Fair value of plan assets at the end of the year	**16,21,946**

Notes on Financial Statements (Contd.)

Reconciliation of the fair value of assets and obligations:

	Gratuity Funded (Existing Scheme)				
	2015-16	2014-15	2013-14	2012-13	2011-12
	Rs.	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets	**10,71,43,176**	9,00,40,114	7,48,93,117	6,65,26,614	5,78,21,861
Present value of obligation	**10,96,80,885**	9,21,05,858	8,03,41,990	6,76,46,666	6,01,67,673
Amount recognized in Balance Sheet	**25,37,709**	20,65,744	54,48,873	11,20,052	23,45,812
Expenses recognized during the year :					
Current Service Cost	**89,11,670**	83,29,710	71,57,174	62,34,526	54,50,637
Interest Cost	**73,68,469**	64,27,359	54,11,733	48,13,414	42,04,592
Expected return on plan assets	**78,92,969**	70,93,469	59,00,847	55,44,432	48,28,644
Actuarial loss (gain)	**46,95,814**	45,21,767	66,62,303	28,592	38,45,900
Net Cost	**1,30,82,984**	1,21,85,367	1,33,30,363	55,32,100	86,72,485

	Gratuity Funded (New Scheme)
	2015-16
	Rs.
Fair value of plan assets	**16,21,946**
Present value of obligation	**15,55,238**
Amount recognized in Balance Sheet	**66,708**
Expenses recognized during the year :	
Current Service Cost	**12,14,555**
Interest Cost	**55,145**
Expected return on plan assets	**58,851**
Actuarial loss (gain)	**4,03,772**
Net Cost	**8,07,076**

	Leave Encashment Unfunded				
	2015-16	2014-15	2013-14	2012-13	2011-12
	Rs.	Rs.	Rs.	Rs.	Rs.
Fair value of plan assets	–	–	–	–	–
Present value of obligation	–	–	–	–	–
Amount recognized in Balance Sheet	**2,91,99,674**	2,61,33,763	2,03,12,528	1,87,79,066	1,53,10,660
Expenses recognized during the year :					
Current Service Cost	**26,09,281**	24,97,783	23,86,285	27,25,980	22,22,504
Interest Cost	**17,57,107**	15,51,854	13,04,444	11,15,516	8,43,450
Expected return on plan assets	–	–	–	–	–
Actuarial loss (gain)	**59,13,022**	82,89,978	35,85,166	43,05,995	37,82,847
Net Cost	**1,02,79,410**	1,23,39,615	72,75,895	81,47,491	68,48,801

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Notes on Financial Statements (Contd.)

Actuarial Assumptions:

	Gratuity Funded (Existing Scheme)				
Mortality Table (LIC)	**2015-16**	2014-15	2013-14	2012-13	2011-12
	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%

Actuarial Assumptions:

	Gratuity Funded (New Scheme)
Mortality Table (LIC)	**2015-16**
	1994-96
	Ultimate
Discount Rate (p.a.)	**8%**
Expected rate of return on plan assets (p.a.)	**8%**
Rate of Escalation in Salary (p.a.)	**5%**

	Leave Encashment Unfunded				
Mortality Table (LIC)	**2015-16**	2014-15	2013-14	2012-13	2011-12
	1994-96	1994-96	1994-96	1994-96	1994-96
	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate
Discount Rate (p.a.)	**8%**	7.80%	9.10%	8.20%	8%
Expected rate of return on plan assets (p.a.)	**0%**	0%	0%	0%	0%
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, promot on and other relevant factors including supply and demand in the employment market.

(11) During the year, the Company has accounted for Deferred Tax in accordance with the Accounting Standard 22 (AS-22) "Accounting for Tax on Income". As a result of the adoption of this Standard, the Profit is less by Rs.284.22 Lakhs for the year 2015-16 as detailed below:

	2015-16	2014-15
	(Rs. in lakhs)	(Rs. in lakhs)
Deferred Tax Asset:		
Unabsorbed Losses / Tax Credit / Depreciation	–	–
Others	**131.99**	115.05
Total	**131.99**	115.05
Deferred Tax Liability:		
Depreciation Difference & Others	**638.80**	337.64
Net Deferred Tax Asset / (Liability)	**(506.81)**	(222.59)

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

Notes on Financial Statements (Contd.)

(12) The 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 the Company.

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

The Company could not fulfill one of the conditions and hence an applic tion was made to CBDT for relaxation of the condition under the said Rule 9C.

The CBDT while disposing of the application had advised the Company to refer the matter to the Specified Authority. Subsequentl , the Company has filed necessary application with the Specified Authority. Upon receipt of the decisionfrom the Specified Authority, the matter will be suitably dealt with

(13) The Company availed certain Carry Forward benefits u/s.72A of the Income-Tax Act, 1961, relating to TTK Medical Devices Ltd., c nsequent to its merger with the Company.

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

The Company could not fulfill certain conditions and hence an Application / Review Petition was filed with CBDT for relaxation f these conditions. The said Application / Review Petition for relaxation of the conditions was rejected by CBDT. Against this, the Company already filedWrit Petition in the Hon'ble High Court of Judicature at Madras in February 2012. Upon receipt of the decision from the Hon'ble High Court, the matter will be suitably dealt with.

(14) During the year, the Company has written off non-recoverable debts to the extent of Rs.23,34,069/- (Previous Year - Rs.28,30,775/-).

(15) 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 the 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 the Company has filed necessary petition before the Hon'ble High Court of Judicature at Madras for obtaining its approval and the same is pending.

The Directors have also extended the time limit of the Scheme upto 31st March, 2017.

(16) The Company has successfully commissioned the Pellet (Papad) Manufacturing Plant imported from Fen s.r.l. Italy at Jaipur and commenced the commercial production from 15th January, 2016. The expenditure incurred for this Project amounting to Rs.56 Crores (including interest of Rs.1.38 Crores) has been capitalised during the year.

(17) During the year, your Company has successfully commissioned the R & D Pilot Plant imported from Fen s.r.l. Italy at Foods Division, Hosakote and commenced product development trials on this Plant. The expenditure incurredon this project amounting to Rs.2.37 Crores has been capitalised.

(18) The Company conducted trials and developed new products for a third party and an income of Rs.3.93 Crores earned from the product development trials is included under "Other Operating Revenues".

(19) In accordance with the provisions of Sec.135 of the Companies Act, 2013 and the Rules made thereunder, the Company is required to spend Rs.45.08 Lakhs being 2% of the average net profit of the Company made during the three immediately preceding financial years in pursuan of its Corporate Social Responsibility Policy. The Company has contributed a sum of Rs.45.08 Lakhs towards the CSR activities for the eligible projects during the year.

(20) During the year, the Company has invested Rs.10 Crores in 25 month Listed, Nifty-Linked, Secured, Redeemable, Non-Convertible Debentures (NCDs) (100% Principal protected) of Citicorp Finance (India) Ltd. The investment is for a period of 25 months with an average yieldof 8.15% p.a. and it is linked to the Nifty performance. The income on these debentures will be accounted at the time of redemption of debentures as the interes t has not accrued as per the terms of the contract.

(21) The Public Works Department increased the Water Charges for the water drawn by the Paper Division from the river Bhavani fromRs.60/- per 1000 Cu. Mtr to Rs.500/- per 1000 Cu. Mtr on the contracted quantity of water, with effect from 9.5.1991. The Company filed a writ petition in the Hon'ble High Court of Judicature at Madras and as per the interim order dated 9.7.1991, passed by the Hon'ble Court, the Company was paying water cha rges @ 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 Wr it was disposed off by the Hon'ble Court by remanding the matter to the Public Works Department.

After series of litigations, the Public Works Department confirmed the water charges at the rate of Rs.500/- per 1000 Cu. Mtrn the contracted quantity. The Company has moved the Hon'ble High Court challenging the validity of payment on the contracted quantity instead of actual quan tity of water drawn and this matter is pending before the Hon'ble High Court of Judicature at Madras.

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 had fully paid the principal amount of Rs.49.66 Lakhs.

Notes on Financial Statements (Contd.)

Further, the Company has also made a request for waiver of the interest charges to PWD and the request is pending before them.

Since the Paper Division has been disposed off, the liability, if any, on this account upto the date of sale (i.e. 14.1 1.1999), will have to be borne by the Company. As a matter of prudence, the Company has made a provision of Rs.12 Lakhs during the year and the cumulative provisio n available on this account as on 31.3.2016 is Rs.103.85 Lakhs (Previous Year Rs.91.85 Lakhs).

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

	2015-16	2014-15
	Rs.	Rs.
Profit after Tax (Current/Deferred Tax) & Extraordinary item(s) (Rs. in lakhs	**2266.52**	1,615.52
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	**29.19**	20.80

(23) The Company has acquired certain assets on Finance Lease on or after st April, 2001, amounting to Rs.2,84,28,838/- (previous year Rs.2,80,34,366/-) The minimum Lease rental outstandings as of 31st March, 2016 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**	
	31.03.2016	31.03.2015	**31.03.2016**	31.03.2015	**31.03.2016**	31.03.2015
	Rs.	Rs.	**Rs.**	Rs.	**Rs.**	Rs.
Within one year	**67,09,385**	62,33,600	**20,29,768**	19,50,069	**46,79,617**	42,83,531
Later than one year and not later than 5 years	**1,30,61,185**	1,21,30,565	**24,51,553**	22,94,186	**1,06,09,632**	98,36,379
Later than 5 years	–	–	–	–	–	–
Total	**1,97,70,570**	1,83,64,165	**44,81,321**	42,44,255	**1,52,89,249**	1,41,19,910

(24) 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., Packwell Packaging Products Ltd.

Key Management Personnel:

Mr T T Raghunathan

Relatives of Key Management Personnel:

Mr T T Lakshman - General Manager-Projects (Foods Division).

(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	**3.98**	–	–	**3.98**
	(8.91)	–	–	(8.91)
Other Receipts	**2.75**	–	–	**2.75**
	5.07	–	–	5.07
Purchases	**3,349.27**	–	–	**3,349.27**
	(2,701.40)	–	–	(2701.40)
Salary	–	**186.99**	**26.25**	**213.24**
	–	(165.22)	(26.25)	(191.47)
Other Payments	**825.41**	–	–	**825.41**
	(762.48)	–	–	(762.48)

Notes on Financial Statements (Contd.)

(c) Balances outstanding as on 31.03.2016

(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	**6.16**	–	–	**6.16**
	(1.39)	–	–	(1.39)
Other Current Assets	**25.50**	–	–	**25.50**
	(25.50)	–	–	(25.50)
Amount owed by the Company against purchases	**640.64**	–	–	**640.64**
	(288.93)	–	–	(288.93)
Other Current Liabilities	**82.07**	**136.92**	**2.40**	**221.39**
	(66.83)	(88.48)	(2.40)	(157.71)

(25) 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 01.04.2015	Additions	Amount used / reversed	As at 31.03.2016
Income-Tax	**4,533.00**	**1,002.00**	–	**5,535.00**
	(3,443.00)	(1,090.00)	–	(4,533.00)

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

(Rs. in lakhs)

Particulars	As at 01.04.2015	Additions	Amount used / reversed	As at 31.03.2016
Income-Tax & Fringe Benefit Ta	**1,297.53**	**112.56**	**347.09**	**1,063.00**
	(1,052.53)	(245.00)	–	(1,297.53)
Central Excise, Customs, Sales Tax, etc.	**394.65**	**31.12**	**56.55**	**369.22**
	(416.03)	(30.14)	(51.52)	(394.65)
Other Contingent Liabilities	**252.20**	**80.00**	**16.61**	**315.59**
	(251.45)	(43.00)	(42.25)	(252.20)

Notes:

The disputed Income Tax/ Fringe Benefit Tax liabilities amounting to Rs.1,063 lakhs have not been acknowledged as debts and hav been classified under Contingent Liabilities.

Similarly, Rs.369.22 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.21.88 lakhs as per the details given in Note No.21 to the Financial Statements.

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

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

Notes on Financial Statements (Contd.)

STATEMENT SHOWING SIGNIFICANT ACCOUNTING POLICIES

System of Accounting

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 the Companies (Accounting Standard) Rules 2006 and according to the provisions of the Companies Act 2013. 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 II to the Companies Act, 2013. 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 / f air 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

a. Raw and Packing Materials and Consumables are valued at cost on FIFO basis or net realizable value.

b. Finished Goods are valued at lower of cost or net realizable value.

c. Work-in-Progress is valued at works cost.

Revenue Recognition:

Sales are stated at net of returns and sales tax. The Excise Duty relatable 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 share holders 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 share holders 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 incomes 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

For M/s. S VISWANATHAN LLP
Chartered Accountants
Regn. No.004770S/S200025

C N SRINIVASAN
Partner
Membership No. 18205

Place : Chennai
Date : May 30, 2016

T T Jagannathan, Chairman
T T Raghunathan, Executive Vice Chairman
R K Tulshan, Director
B N Bhagwat, Director
K Shankaran, Director
Dr (Mrs) Vandana R Walvekar, Director
Girish Rao, Director
N Ramesh Rajan, Director
S Kalyanaraman, Director & Wholetime Secretary
B V K Durga Prasad, Senior Vice President - Finance

Segmentwise Revenue, Results & Capital Employed

Segmentwise Revenue & Results:

(Rs. in lakhs)

Particulars	2015-16 Segment Revenue	2015-16 Excise Duty relating to Sales	2015-16 Net Segment Revenue	2014-15 Segment Revenue	2014-15 Excise Duty relating to Sales	2014-15 Net Segment Revenue
Segment Revenue:						
Pharmaceuticals	**27,688.50**	**22.96**	**27,665.54**	26,296.77	21.50	26,275.27
Medical Devices	**2,251.06**	–	**2,251.06**	1,979.64	–	1,979.64
Consumer Products	**15,406.46**	–	**15,406.46**	14,215.38	–	14,215.38
Foods	**6,069.32**	–	**6,069.32**	5,712.28	–	5,712.28
Others	**87.63**	–	**87.63**	72.16	–	72.16
Total Segment Revenue	**51,502.97**	**22.96**	**51,480.01**	48,276.23	21.50	48,254.73
Less: Inter Segment Revenue	–	–	–	–	–	–
Net Sales	**51,502.97**	**22.96**	**51,480.01**	48,276.23	21.50	48,254.73
Segment Results: [Profit / (Loss) before Interest & Tax						
Pharmaceuticals			**3,117.82**			**2,510.23**
Medical Devices			**393.43**			**301.89**
Consumer Products			**115.64**			**(543.65)**
Foods			**915.63**			**1,236.83**
Others			**31.89**			**26.25**
Total Segment Results			**4,574.41**			**3,531.55**
Less: Interest Expenses			**332.73**			**364.23**
Less: Unallocable Expenses (Net of Unallocable Income)			**688.94**			**533.86**
Total Profit/(Loss) before Tax			**3,552.74**			**2,633.46**

Segmentwise Revenue, Results & Capital Employed (Contd.)

Capital Employed (Segment Assets less Segment Liabilities):

(Rs. In lakhs)

Particulars	As on 31.03.2016	As on 31.03.2015
Pharmaceuticals	**(84.67)**	1,048.98
Medical Devices	**1,457.55**	1,228.77
Consumer Products	**(380.24)**	(253.16)
Foods	**9,634.58**	7,700.97
Others	**(39.08)**	(21.10)
Total Capital Employed in Segments	**10,588.14**	9,704.46
Add: Unallocable Corporate Assets less Unallocable Corporate Liabilities	**6,221.81**	6,361.94
Total Capital Employed in Company	**16,809.95**	16,066.40
Total Assets Exclude:		
Investments	**1,013.37**	13.37
Deferred Tax Asset	**131.99**	115.05
Total Liabilities Exclude:		
Secured Loans	**3,695.31**	4,030.12
Unsecured Loans	**–**	–
Deferred Tax Liability	**638.80**	337.64

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 previousperiods.
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 dis tributed by the Consumer Products Division.
   - Medical Devices include Artificial Heart Valves, Orthopaedic Implants, etc
   - Consumer Products comprise 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" include 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 an specific segment
5. The previous period's / year's figures have been regrouped and reclassified, wherever necessary to conform to the current perio s / year's presentation.

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